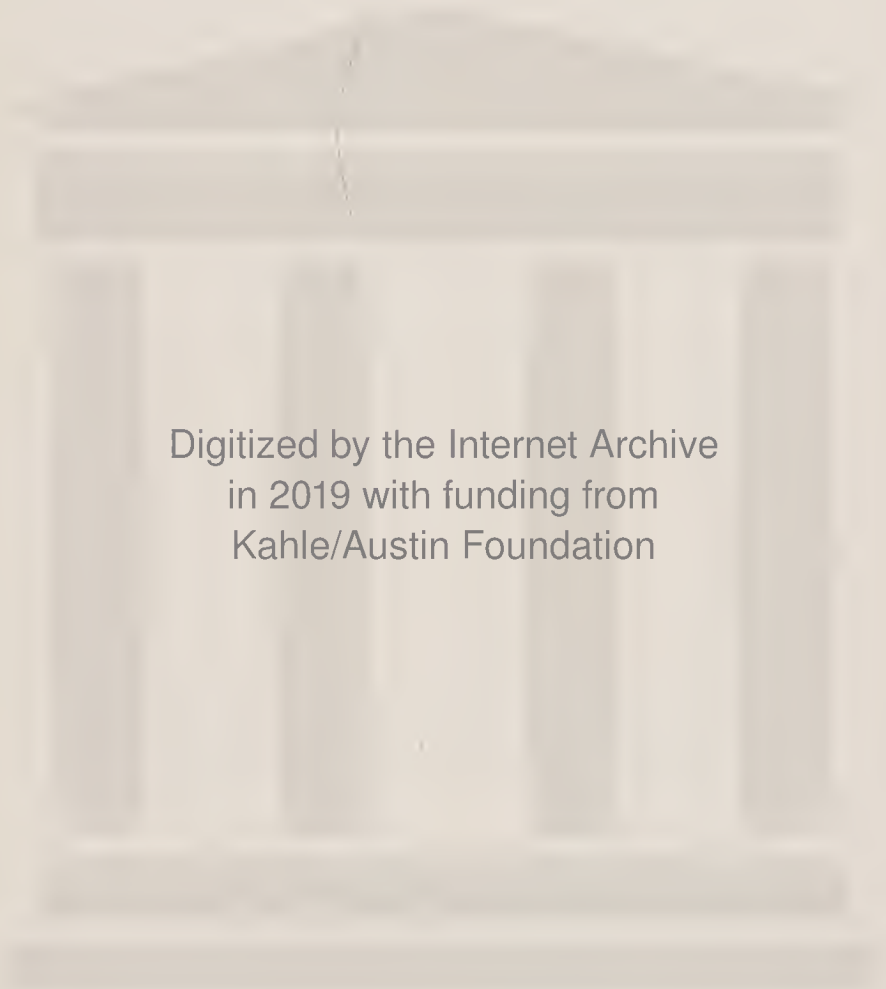
THE CANADIAN ANNUAL REVIEW OF PUBLIC AFFAIRS



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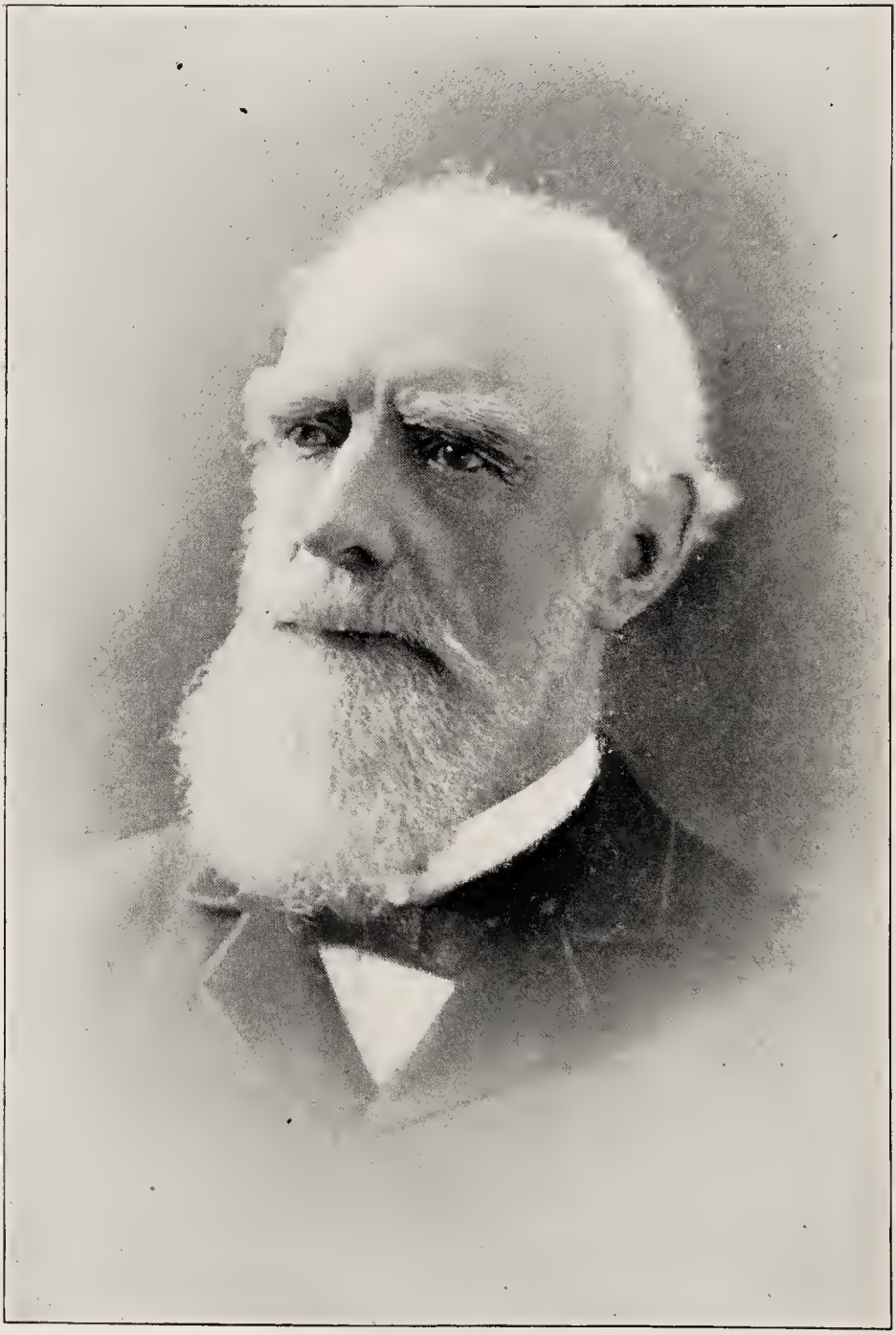

THE RT. HON. LORD STRATHCONA AND MOUNT ROYAL, G.C.M.G., LL.D., D.C.L.
Canadian High Commissioner in Great Britain.

THE CANADIAN ANNUAL REVIEW OF PUBLIC AFFAIRS 1903

BY

J. CASTELL HOPKINS, F.S.S.

Editor of "Canada: An Encyclopaedia of the Country," in Six Volumes; Author of "The Story of the Dominion"; "Queen Victoria: Her Life and Reign"; "The Progress of Canada," Etc., Etc.

SECOND YEAR OF ISSUE

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TO

Lord Strathcona and Mount Royal

WHOSE NAME IS DEEPLY INSCRIBED UPON THE
MODERN HISTORY OF CANADA; WHOSE
CAREER EMBODIES THE BEST
AND HIGHEST ELEMENTS
OF COLONIAL SUCCESS; AND
WHOSE PERSONALITY IS HELD IN
AFFECTIONATE REGARD AMONGST SO
MANY OF OUR KING'S WORLD-WIDE SUBJECTS

THIS VOLUME

IS RESPECTFULLY

Dedicated

BY

THE AUTHOR

007391

The Right Hon. Joseph Chamberlain, P.C., M.P.
Secretary of State for the Colonies. Resigned September 17th, 1903.

INTRODUCTION

In presenting this volume to all who are sufficiently interested in Canadian affairs to consult its pages, the author may be permitted a prefatory word. The work this year, as well as last, has been prepared and written with an earnest desire to present to its readers, at home or abroad, a clear view of current conditions and questions in Canada as they affect local interests, and as they touch external affairs. In this latter connection, for instance, the pages devoted to Mr. Chamberlain's fiscal proposals are deliberately designed to furnish a permanent record of political views and interests which cannot but leave a deep mark upon the development of Canadian opinion, and prove a subject of serious consideration and discussion in Canada, whichever principle or policy may ultimately prevail. Important also, though in a lesser and more ephemeral sense, is the Alaskan Boundary affair, to which considerable attention is given.

There is no other work of this scope or style in Canada. With the Dominion Official *Year-Book*, it neither competes nor conflicts, as the former is almost entirely statistical in character. From other annual works of reference, in other countries, it is equally distinct in form and arrangement. Where accurate quotations from speeches or responsible newspapers may be considered to throw light upon some important phase of public opinion or partisan thought, they are given in the course of the narrative, and I believe will be found of much value to the historian, the student, the politician, and the journalist. The mass of detail given in small type at the end of the different Sections is an important part of the general record—as every historian will appreciate—but could hardly be included in the ordinary text of any volume of convenient reference size.

It may not be out of place, in conclusion, to say a word as to the origin of THE CANADIAN ANNUAL REVIEW OF PUBLIC AFFAIRS. In 1902 a volume was issued dealing with the events of the preceding year, and published in Toronto as *Morang's Annual Register of Canadian Affairs for 1901.* Circumstances arose which prevented the continuance of the project under the same auspices, and a volume covering the history of the year 1902, and now of 1903, has been brought out by the same author with the present title, and under the auspices of an incorporated Company composed of some of the most representative of Canada's public and financial men.

Encouraged by a very general appreciation of the project from leading men, and institutions, and libraries throughout English-speaking countries, it is the intention to make the work a continuous and permanent yearly record of Canadian development and history.

J. CASTELL HOPKINS.

TORONTO, May 30th, 1904.

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LEADING DAILY PAPERS OF CANADA

ONTARIO

PLACE	NAME	POLITICS
Belleville	Intelligencer	Con.
"	Ontario	Lib.
Brantford	Courier	Con.
"	Expositor	Lib.
Brockville	Recorder	Lib.
"	Times	Con.
Chatham	Banner-News	Lib.
"	Planet	Con.
Guelph	Herald	Con.
"	Mercury	Lib.
Hamilton	Herald	Ind.
"	Spectator	Con.
"	Times	Lib.
Kingston	British Whig	Lib.
"	News and Times	Con.
London	Advertiser	Lib.
"	Free Press	Con.
Ottawa	Citizen	Con.
"	Free Press	Lib.
"	Journal	Ind.
Ottawa	Le Temps	Lib.
Peterborough	Examiner	Lib.
"	Review	Con.
"	Times	Ind.
St. Catharines	Journal	Lib.
"	Standard	Con.
"	Star	Con.
St. Thomas	Journal	Lib.
"	Times	Con.
Stratford	Beacon	Lib.
"	Herald	Con.
Toronto	Globe	Lib.
"	Mail and Empire	Con.
"	News	Ind.
"	Star	Lib.
"	Telegram	Ind.
"	World	Con.
Woodstock	Express-Times	Con.
"	Sentinel-Review	Lib.

QUEBEC

Montreal	Gazette	Con.
"	Herald	Lib.
"	Star	Con.
"	Witness	Ind.
"	Le Journal	Con.
"	La Patrie	Lib.
Montreal	La Presse	Ind.
Quebec	Chronicle	Con.
"	Telegraph	Ind.
"	L'Evenement	Ind.
"	Le Soleil	Lib.

NEW BRUNSWICK

Fredericton	Gleaner	Con.
"	Herald	Lib.
St. John	Gazette	Con.
"	Globe	Lib.
St. John	Star	Con.
"	Sun	Con.
"	Telegraph	Lib.

NOVA SCOTIA

Halifax	Acadia Recorder	Lib.
"	Chronicle	Lib.
"	Echo	Lib.
"	Herald	Con.
Halifax	Mail	Con.
Sydney	Post	Con.
"	Record	Lib.

PRINCE EDWARD ISLAND

Charlottetown	Examiner	Con.
"	Guardian	Ind.
Charlottetown	Patriot	Lib.

MANITOBA

Brandon	Sun	Lib.
Winnipeg	Free Press	Lib.
Winnipeg	Telegram	Con.
"	Tribune	Ind.

NORTH-WEST AND THE YUKON

Calgary	Herald	Con.
"	Bulletin	Lib.
Dawson City	Sun	Lib.
"	News	Ind.

BRITISH COLUMBIA

Nelson	Miner	Ind.
"	Tribune	Ind.
New Westminster	Columbian	Ind.
Rossland	Evening World	Lab.
"	Miner	Con.
Vancouver	News-Advertiser	Con.
"	Province	Lib.
"	World	Lib.
Victoria	Colonist	Con.
"	Times	Lib.

CANADIAN BOOKS OF THE YEAR

NOVELS AND ROMANCES.

Colin of the Ninth Concession. R. L. Richardson, ex-M.P.
The White Chief of the Ottawa. Mrs. B. W. Carr-Harris.
The Plowshare or the Sword. Ernest George Henham.
How Hartman Won. Eric Bohn.
The Blood of Lilies. W. A. Fraser.
Crowned at Elim. Stella Eugenie Asling.
The Story of the Gravelys. Marshall Saunders.
Shadows of the Deep. Charles Sparrow.
The Old Orchard: A Temperance Tale. Mack Cloie.
The Way of the Sea. Norman Duncan.
In Music's Thrall. Lilla Nease.
Trapper Jim. Edwin Sandys.
Over the Border. Robert Barr.
The White Letter. Eva Rose York.
The Sacrifice of the Shannon. W. Albert Hickman.
Oliver Langton. G. A. Powles.
Bubbles We Buy. Alice Jones.
The Pool in the Desert. Mrs. Everard Cotes.
The Pensionnaires. Albert R. Carman.
The Silver Poppy. Arthur J. Stringer.

POETRY.

Canadian Born. E. Pauline Johnson.
Songs of an English Esau. Clive Phillipps-Wolley.
Vahnfried—A Book of Verse. C. F. P. Conybeare, K.C.
Hephæstus and Other Poems. Arthur J. Stringer.
The Papers of Pastor Felix. Arthur John Lockhart.
The Book of the Rose. Charles G. D. Roberts.
The Kinship of Nature. Bliss Carman.
The Ballad of the Soul's Desire. Vernon Nott.
Songs by the Wayside. W. J. Fischer, M.D.
The Pipes of Pan. Bliss Carman.
The Musician. Frank Waters.
A Summer in Idleness. Catharine McD. Jackson.
Sea Murmurs and Woodland Songs. S. E. Sherwood Faulkner.
Poems of the New Century. Robert S. Jenkins, M.A.
Verses. Horace Lester Hale.

HISTORY, POLITICS AND BIOGRAPHY.

Documentary History of Education in Upper Canada. Volume X. J. George Hodgins, M.A., LL.D.
A History of Manitoba and the North-West Territories. D. M. Duncan, M.A.
Life in Canada. Thomas Conant.
Canadian Politics. J. Robert Long.
The Royal Tour in Canada, 1901. Joseph Pope, C.M.G.
Methodism in Canada: Its Work and Its Story. Rev. Alexander Sutherland, D.D.
The Governor-General's Body Guard. Capt. Ernest J. Chambers.
A History of New Brunswick for Public Schools. G. U. Hay, Ph.D.
History of St. Andrew's Society of St. John, N.B. I. Allen Jack, B.A., K.C., D.C.L.
Sir Wilfrid Laurier and the Liberal Party. J. S. Willison, F.R.S.C.
Incidents of Pioneer Days. David Kennedy.
Memoirs of Joseph Russell Little. Rev. L. Bartlett.
Annals and Aims of the Pacific Cable. George Johnson, F.S.S.
The Romance of Canadian History (Edited). Prof. Pelham Edgar, Ph.D.
The British Nation. Prof. G. M. Wrong, M.A.
Egerton Ryerson. Dr. Nathanael Burwash.
Lord Elgin. Sir John George Bourinot.
Old Quebec. Sir Gilbert Parker, M.P., and Claude Bryan.

Frontenac et Les Amis. Ernest Myraud.
Sixty Years in Canada. William Weir.
Days of the Red River Rebellion. John McDougall.
Report on Canadian Archives, 1902. George F. O'Halloran.
Papers and Records of the Ontario Historical Society. Vol. IV.
Documentary History of the Niagara Frontier Campaign, 1813. Part II. Lieut.-Col. E. Cruikshank.
The Duke of Cornwall's Own Rifles. Capt. Ernest J. Chambers.
Markland, or Nova Scotia. Robert R. McLeod.
Yarmouth: Past and Present. J. Murray Lawson.
Quebec under Two Flags. A. G. Doughty, LIT.D., and N. E. Dionne, F.R.S.C.
Annales de la Societe St. Jean Baptiste de Quebec.
Memorial sur l'Education au Canada. C. J. Magnan.
Lettres sur l'ile Anticosti. Mgr. Charles Guay.

WORKS OF REFERENCE.

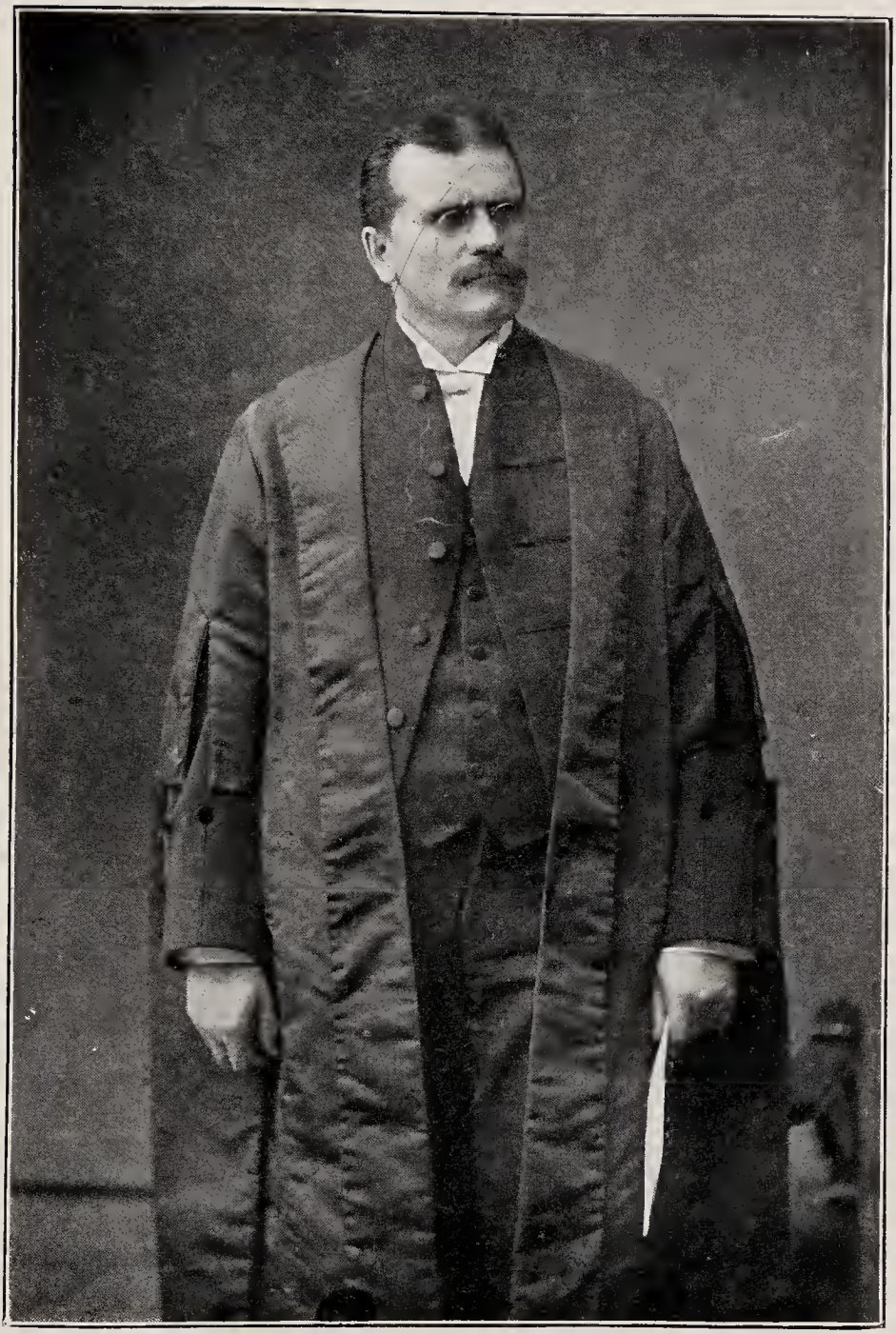
The Statistical Year-Book, 1902. George Johnson, Hon. F.S.S.
The Canadian Annual Review of Public Affairs, 1902. J. Castell Hopkins, F.S.S.
The Canadian Parliamentary Guide, 1903. Arnott J. Magurn.
The Year-Book of British Columbia, 1903. R. E. Gosnell.

MONOGRAPHS AND PAMPHLETS

In the Court of History. Goldwin Smith, LL.D., D.C.L.
Fifty Years in the Fredericton Methodist Church. Rev. J. A. Rogers.
The Founder of Christendom. Goldwin Smith, D.C.L., LL.D.
Selections from Tennyson. Rev. A. H. Reynar, M.A., LL.D.
Two Country Walks in Canada. Arnold Haultain, M.A.
Canada and the Empire. A. E. De St. Dalmas.
The Underground Railway. Rev. W. H. Withrow, D.D., F.R.S.C.
The Second Legislature of Upper Canada. C. C. James, M.A.
The Alaskan Boundary Tribunal and International Law. Thomas Hodgins, M.A. K.C.
Le Remaniement des Subsides Federaux eu Faveur des Provinces. Hon. Lomer Gouin, M.P.P.

MISCELLANEOUS.

Ranching with Lords and Commons. John R. Craig.
Memories of Ralph Vansittart. Edward Robert Cameron.
Review of Historical Publications, relating to Canada (Edited). Prof. G. M. Wrong, M.A., and H. H. Langton, M.A.
Frauds on Creditors and Assignments for the Benefit of Creditors. W. R. Percival Parker, B.A., LL.B.
Records of Mining Cases in British Columbia. Hon. Archer Martin, of the Supreme Court of British Columbia.
Algonquin Indian Tales. Rev. Egerton R. Young.
Two Little Savages. Ernest Thompson Seton.
Elementary Plane Geometry. Prof. Alfred Baker, M.A., F.R.S.C.
Genealogical Chart of the Contemporary Sovereigns of Europe. William Fitzgerald.
Types of Canadian Women, Past and Present. Henry J. Morgan, LL.D.
Canadian Dairying. Prof. Henry H. Dean, B.S.A.
The Secret of the Divine Silence. Rev. B. D. Thomas, D.D.
What Ails the Church ? Rev. John Hay, M.A.
The Gospel of the Home. Rev. D. C. Hossack, LL.B.
Camping and Canoeing. James Edmund Jones.
Systematic Homiletics. Rev. J. A. J. Proudfoot, D.D.
My Dogs in the Northland. Rev. Egerton R. Young.
Presidents of the United States. T. G. Marquis, M.A.
McGill Medical Faculty. Maude E. Abbott.
Journalism and the University: A Collection of Essays. A. H. U. Colquhoun, William Houston and others.
Our Own and Other Worlds. Rev. Joseph Hamilton, D.D.



THE HON. LOUIS PHILIPPE BRODEUR, K.C., M.P.
Speaker of the House of Commons of Canada.

THE CANADIAN ANNUAL REVIEW

I.—DOMINION POLITICAL AFFAIRS

The Dominion Government and the Country

The year 1903 opened its political history, so far as Canada was concerned, with very reassuring reports as to the health of the Prime Minister, who had been staying at St. Augustine, Florida, for a few weeks' rest. In a letter dated December 27th, 1902, and published in *La Patrie*, Sir Wilfrid Laurier stated that: "I feel not only better but very well. I believe, in fact, that I have still left to me a few years of life and work." Mr. Arthur Dansereau, of Montreal, told *La Presse* on January 2nd that he had just left the Premier, and "he is as well as I ever saw him. His spirits are good, his health is good, and he has regained all the strength and energy he seemed to have lost." Sir Wilfrid returned to Ottawa a few days later, and thence went to Quebec on a brief visit, where the *Chronicle*, a Conservative organ, declared that: "His return will be heartily welcomed by his political foes as by his political friends. We trust that the improvement in his health will be permanent, and that he will be spared many years of life and work in the service of a country that is proud of his talents."

On January 23rd, the Premier was in Montreal, dealing with the organization of a new Liberal paper to supersede *La Patrie*, and to meet the opposition of the Hon. J. Israel Tarte. Meanwhile, press comments on the former's health were numerous, and naturally most so in Opposition papers. This was resented in Liberal circles, and an Ottawa despatch of February 2nd in the *Globe* declared that "the indications are pretty clear that an organized conspiracy is on foot among Conservative politicians and newspapers to make out that Sir Wilfrid Laurier's health is shattered, and that he will be compelled to retire on this account from public life. The object of these discreditable tactics is to create a general feeling of uneasiness and unrest in the public mind in the hope of deriving some party advantage." Many denials followed in this connection, and in various speeches throughout the year reference was made to the subject. The Premier's own

speeches in Parliament at a later date were effective evidences of his health having greatly improved since his return from Europe in 1902.

The first bye-election of the year took place in Burrard, B.C., to choose a successor to the late George R. Maxwell. At a Liberal Convention in Vancouver, on December 17th, 1902, Mr. Robert Grant Macpherson, President of the local Liberal Association, was nominated by an almost unanimous vote. On January 2nd, it was announced that there would be no Conservative candidate to compete with him and with Mr. Christopher Foley (Labour) and Dr. T. R. McInnes (Independent), who were already in the field. Dr. McInnes, the former Lieut.-Governor of the Province, was in the position of having antagonized, more or less, both of the great parties, and of being supported by neither in this contest. The *Province* (Liberal), on the above date, urged the retirement of both these gentlemen, as having no serious chance. If they did not do so, however, Mr. Macpherson would have more than the Liberal vote. "In that case he will receive practically the entire Conservative vote in this constituency, for the electors will regard the contest as being practically between three Liberals—one of whom is a supporter of the Government, and consequently likely to be of some service to the community, while the others will not support the Government and cannot support the Opposition."

Mr. Foley's policy, as announced on January 11th, included (1) a rigid enforcement of the Alien Labour Law, (2) exclusion of Mongolian labour, (3) opposition to any railway land grants, (4) Government control of railways, telegraphs, telephones, coal mines, and smelters, (5) taxation of lands held for speculative purposes and limitation in the amount of land which could be acquired from the Government, (6) an equal tariff against all countries imposing heavy duties on Canadian goods, (7) a compulsory use of the franchise. Nomination took place on January 20th, and the election on February 4th. Dr. McInnes expressed his views at a meeting on January 19th. He agreed with Mr. Foley as to Mongolian immigration, but opposed his Socialistic ideas. He denounced the Laurier Government with bitterness; declared the Yukon administration disgraceful; referred to various things he had done for the Province in earlier days; claimed the pioneer advocacy of a Canadian Mint; complained of the Dominion authorities taking $2,000,000 out of British Columbia for which they gave little return; and declared himself a high protectionist. Mr. Foley was endorsed on January 19th, by Trades and Labour Council of Vancouver. Mr. Macpherson took a strong stand in support of the Government, and, on February 4th, was elected by 2,108 votes against 1,885 for Mr. Foley, and 362 for Dr. McInnes.

Other bye-elections followed. In Two Mountains, on Feb-

ruary 24th, J. A. C. Ethier (L.) was returned over Benjamin Beauchamp (C.) by 124 majority; in Terrebonne, Que., on the same day, Dr. Samuel Desjardins (L.) defeated A. H. Masson (C.) by 296 votes; in Maskinonge, Que., on March 3rd, H. Mayrand (L.) was elected by acclamation; in North Grey, Ont., T. I. Thomson (C.) defeated Matthew Kennedy (L.), on February 24th, by 163 majority. There was no political change in the three Quebec constituencies, but North Grey had been previously represented by Dr. E. H. Horsey, with a Liberal majority, in 1900, of 29 votes. In Russell, Ont., on April 20th, Dr. D. W. Wallace (L.) was elected by acclamation, in place of Mr. W. C. Edwards, who had been elevated to the Senate. In North Ontario, on March 10th, George D. Grant (L.) defeated the Hon. George E. Foster (C.) by a majority of 200. This was a Liberal gain, as the deceased member, Angus McLeod, had a Conservative majority of 518 in 1900.

On March 23rd an important banquet was held in Toronto under the auspices of the Laurier and Young Liberal Clubs of the city. Sir William Mulock spoke at some length, and took occasion to strongly deprecate Militarism. "There is a Jingo school that, losing sight of the teachings of history, would convert the British Empire into a military camp." There was no need, in his opinion, to cultivate a war spirit in Canada, to maintain its forces upon a war footing, or to be "a participant in the military struggles, which result from time to time from European and other international complications." Canadian resources should be kept for Canadian development, though in time of need Canada would do its duty to the Mother Country in its own way. He declared that the mist of ages had been suddenly lifted from Western Canada, and referred to the necessity of meeting the increased demand for railways, and for a national transportation route to the sea. He summarized his view as follows: *

> The wise solution of this problem, as, for example by direct railway connection between Manitoba and the City of Quebec, means much for Canada. Affording to Manitoba and the western country an eastern all-Canadian outlet, it would encourage railway extension in the West. It would exercise a controlling influence on the commercial relation between Eastern and Western Canada. It would aid in building up our St. Lawrence and Atlantic ports and our mercantile marine. It would assist us in the work of assimilating the foreign element now settling in the West by promoting interchange of trade between them and Eastern Canada and, in developing inter-Imperial trade, would strengthen, not only Canadian but also Imperial sentiment.

The Hon. Mr. Prefontaine traced the growth of Liberalism in Quebec, and Mr. G. D. Grant, M.P., was given a rousing reception in honour of his victory in North Ontario. Mr. Andrew Pat-

* NOTE—Important as foreshadowing the subsequent Government railway policy.

tullo, M.P.P., also spoke. Meanwhile, the House of Commons, on March 18th, discussed recent Cabinet changes and especially Mr. Tarte's retirement from the Government. Sir Wilfrid Laurier first made the usual Ministerial statement as to the causes of this much-discussed incident. It had been represented to him while in England that Mr. Tarte was "advocating a policy which was at variance with the policy hitherto followed by the Government of which he was a member." He had sent for the Canadian papers and looked into the matter carefully on his way out. His conclusion was that the Minister of Public Works had committed a grave constitutional error in advocating a revision of the tariff when the Minister of Finance had publicly announced that there would be no present change. "It mattered not whether he advocated to revise the tariff up or down. The one important thing was that, being a member of the Administration, he was bound by the policy laid down by the member of the Cabinet who had authority to speak upon this subject, and whose voice had been heard upon the floor of the House in no uncertain tone." Upon the Premier's return to Ottawa, therefore, on October 19th, he had asked for the Minister's resignation and this had been given on the ensuing day.

Mr. Tarte followed at some length. He declared that he had only awaited the Prime Minister's return, in order to hand in his resignation; stated that he had told the former of a cabal existing in the Cabinet against himself (Mr. Tarte); claimed that the Government had not come to a decision upon all points in the tariff and that other members of the Ministry had talked about it as well as himself; asserted the care and honesty of his Departmental administration, and his devotion to the principle of a better transportation system; and hoped that his policy and recommendations in this latter connection would be still carried out. Mr. R. L. Borden, on behalf of the Opposition, twitted the Government upon a lack of fiscal policy, and the fact of diverse views within their ranks, and criticized the Premier personally for his changes of opinion. In reply, Sir Wilfrid referred indirectly to the Opposition Leader as having once been a Liberal and a free-trader himself, and reiterated his statement as to the unconstitutional character of Mr. Tarte's course. Other speakers, including the Minister of Finance, and Messrs. W. F. Maclean, W. H. Bennett, F. D. Monk, W. B. Northrup, A. C. Bell, R. H. Pope, and E. B. Osler, followed—the last seven gentlemen urging the Opposition policy of a higher tariff—and the discussion then closed.

On July 14th, the resignation of the Hon. A. G. Blair was accepted, and the Department of Railways and Canals was placed temporarily in the hands of the Hon. Mr. Fielding. From that

time until the close of the year there were many and varied rumours as to Cabinet appointments and changes—Mr. H. R. Emmerson, M.P., a former Premier of New Brunswick, being the most frequently mentioned. Senator Templeman was urged for a Portfolio by the British Columbia press, and the *World* and *Province* of Vancouver asked the appointment of Mr. Sifton as Minister of Railways. On July 22nd, the Opposition press announced his definite selection for that post. No appointment, however, was made until the opening of the succeeding year. On October 3rd an interesting statement of a personal and political nature became public, which should find a place here. In connection with various references in Conservative papers to a financial presentation which had been made to the Prime Minister in 1901, Senator F. L. Beique, K.C., wrote to *Le Canada* that the gift had been in the form of a moderate life annuity, purchased from an Insurance Company; that it was contributed by friends entirely irrespective of politics; and that the following Resolution embodied the terms and reasons:

> That whereas Sir Wilfrid Laurier has devoted the whole of his life to public affairs, and the expenses attendant upon the high position he has attained are necessarily large, and in excess of his emoluments of office; whereas a number of his personal friends and admirers have, out of respect for his high character, expressed a desire to contribute toward the creation of a fund which may relieve his mind from all anxieties; and whereas the said fund should be raised in such a way as to entirely safeguard his independence towards the subscribers thereto; the persons here present form themselves into a Committee for the purpose of carrying out the above object and especially seeing that the subscription be confined to persons having no favours to expect from the Government—the Committee also to advise as to the best means of insuring the application of the fund to Sir Wilfrid and Lady Laurier's exclusive benefit.

Mr. Blair's Retirement from the Government

When the resignation of the Hon. Andrew G. Blair as Minister of Railways and Canals was accepted by the Premier on July 14th,* he had held the position for seven years following upon thirteen consecutive years in the Premiership of New Brunswick. Public and political interest in the incident was, of course, very marked, and the Conservative Opposition at Ottawa naturally endeavoured to make capital out of so important a secession from the Government. The resignation was formally announced by the Premier in the Commons on the above date, and by the Hon. Mr. Scott in the Senate. Two days later official explanations of the matter were made to the House of Commons by the Premier and Mr. Blair, and the preceding correspondence made public. In his brief remarks Sir Wilfrid Laurier stated that the Government had been a unit as to the necessity for a new trans-continental line between the East and the West to the Pacific Ocean but that a difference of opinion had arisen as to the method of construction and operation. The

* NOTE—The official date at which the resignation took effect was July 21st.

Minister of Railways had opposed the plan of constructing a Government line between Moncton and Quebec as paralleling the Intercolonial, and he did not approve the immediate construction of the Line through to the Coast, or of the method settled upon by the Cabinet as a whole. Hence the regretted resignation of a colleague whom he (the Premier) understood to be in accord with the Government upon all questions of public policy excepting this one.

After a well-poised reference to the personal and political importance of such action as he had just taken at such a juncture in public affairs, Mr. Blair followed with an emphatic denial that the Railway Commission Bill, or differences of opinion between himself and some of his colleagues upon details in that measure, had anything whatever to do with his resignation. Nor did he have any idea of leaving the Government, or any reason for doing so, until the present measure came under consideration. He expressed the friendliest feelings for and relations with the members of the Cabinet, and especially referred to the Hon. Mr. Sifton whose name had been mentioned as having caballed against him. "The only cause which has led me to take this regrettable step is because I have been unable to justify to my mind, to my own conscience, and to my own duty to my people, my support of the project known as the Grand Trunk Pacific Railway."

Under date of July 10th, his formal resignation had been in the hands of the Premier after some days of discussion and delay. It was an elaborate document, as presented to the House, and was addressed to Sir Wilfrid Laurier. The writer commenced by declaring that resignation was the only course open to him consistent with self-respect, and his views of public duty, and then proceeded as follows: "The suggestion which was made to me, when I stated to Council my inability to become responsible for the policy which the Government was apparently determined to adopt with reference to the Trans-continental railway project, that I might delegate to some other Minister, or that you yourself might take charge of the carriage of the Resolutions and measure in Parliament, appears to be more impracticable the more I consider it. It does not seem to me possible that, while declaring myself in Council as disapproving strongly of the Government policy on this question and, therefore, unable to support the same in Parliament, I could retain my position in the Cabinet, and avoid the public advocacy of a proposition which it would be especially my duty, as Minister of Railways, to present to Parliament and defend before the country."

Mr. Blair then excused himself in the letter against any charge of precipitate action in the matter. "With a knowledge of the situation I could not bring myself to believe that a scheme so objectionable and alarming in many respects would be finally and deliberately adopted by the Government and I did not, until a

few days before Saturday last (11th July), entertain the least idea that the advice tendered you against hasty and impetuous action would not ultimately prevail." While there was any prospect of his views prevailing in Council, he did not consider that a threat of retirement would have been correct or desirable. As to charges of unfairness, he thought they might be more appropriately made by him. "The Grand Trunk proposition had been made to you, and you had consulted with other Ministers, and those Ministers had met Mr. Hays on several occasions, as I am advised, with your knowledge and approval, long before you made me aware that negotiations or discussions on this subject had been entered upon or were being prosecuted." He pointed out that this was a matter coming especially within his own Department and that his treatment had been an "obvious slight." His resignation, he requested, should be treated as final, unless the apparently irrevocable determination of the Government to press their policy should be changed. In that case, and in order to alter his present intention, Mr. Blair "would require that the Government should abandon their intention:"

1. Of building or authorizing a line or lines of railway which should parallel or destroy the usefulness of the Intercolonial.
2. Of immediately proceeding with a line of railway from Quebec to Winnipeg, or until careful surveys and explorations are made and estimates as to cost prepared.
3. Of taking any action in regard to such a route, when ascertained, except through the operation of a Commission with contracts for construction and only after open and public competition.
4. Of giving any present aid or guarantee to the building of a railway in continuation of the Quebec-Winnipeg Line through the fertile prairie district—until at least it had become reasonably clear that settlement along the route would justify construction.

He proceeded to say in this letter that such a railway, when ready for operation should, under no circumstances, be leased to another line; that it should be either operated by the Government through a Commission, or by a Trust specially appointed and under direct Government control; that the method of operation should be a matter of more mature deliberation and fuller knowledge. Following the reading of this letter, was that of a second one written to the Premier, on July 13th. In it Mr. Blair referred to the whole proposal as "one of the most indefensible railway transactions which has ever taken place in this country;" declared the plan of "running rights" over the projected railway for other lines to be utterly impracticable; expressed himself in favour of "the whole line being built and owned by the Government;" and gave certain advice as to the working out of a plan by which the Government should guarantee the bonds over the whole railway, to an extent not exceeding three-quarters of the cost of construction. But as to the present plan, he reiterated his objections:

To this mode of solving the railway problem I am decidedly opposed. At best it is a hybrid scheme involving the compromise of two antagonistic

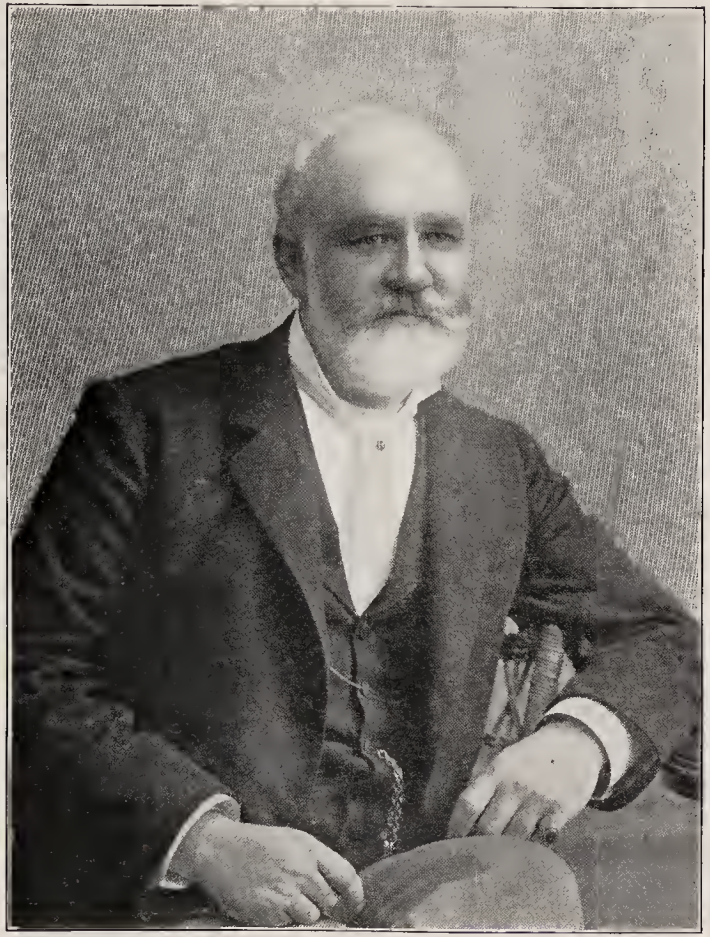
principles and will be followed, as is usual with compromises of that kind, by unsatisfactory results. It will also fail to satisfy the exponents of either view. It will be difficult to explain why the Government should build and own the lean section of this railway and provide a company with Government credit to enable it to build and operate the fat section.

The Prime Minister's reply, dated July 14th, was then read by Mr. Blair. It stated that he had from the first held the negotiations regarding this matter in his own hands, but keeping the Council constantly informed, until he had finally handed it over to a Sub-Committee of which Mr. Blair was a member. He did not consider that the line would parallel the Intercolonial. It would be from 40 to 75 miles distant, and the territory to be served was separated in part by a chain of mountains. "The plan which we have adopted for the construction of the line from Moncton to the Pacific Coast, has been purposely selected so as to keep in the hands of the Government the key to the transportation problem from the prairies to the ocean, and to leave to the initiative of a private company the section of country where energy and enterprise will be constantly required to meet the exigencies of an ever-changing situation." Mr. Blair proceeded in his speech to acquit the Premier of any intentional discourtesy toward himself; to express his regret at the situation of affairs; and to declare that he felt he had done his duty in resigning to himself, to the Government, and to the country. Mr. R. L. Borden followed in a brief speech, and Mr. Tarte rejoiced in a subdued fashion over the new rift in the Government lute. Sir Wilfrid Laurier also spoke and, incidentally, declared that the Government would be in no hurry to fill the vacancy in the Railway Department.* Later in the Session, on August 11th, Mr. Blair made a strong speech of nearly five hours' duration, in opposition to the Government's proposals.

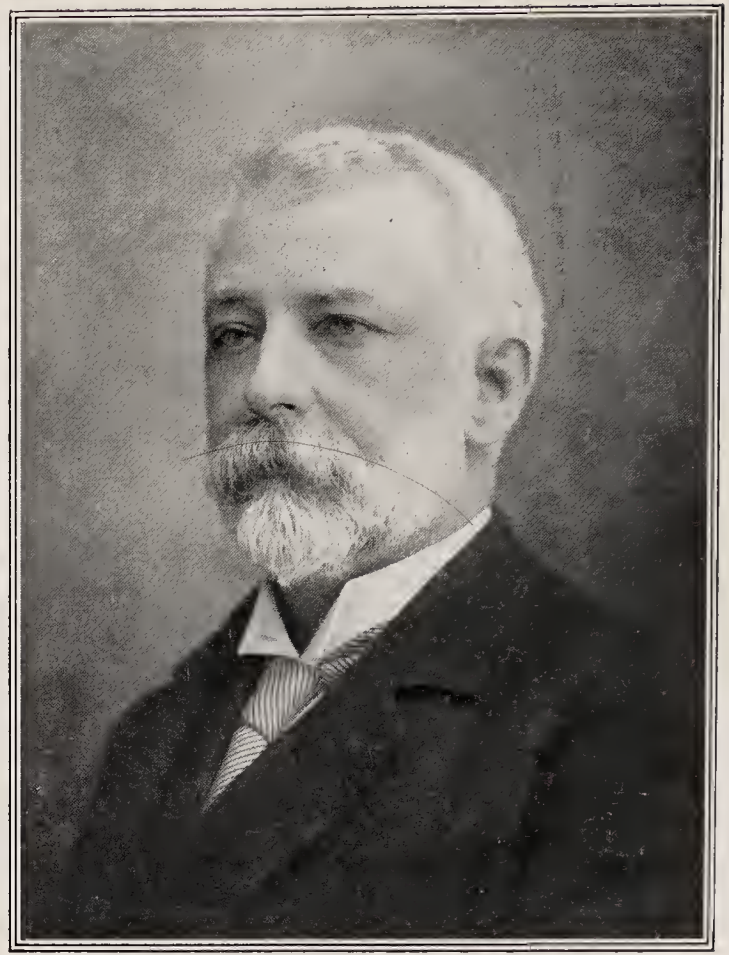
The opinion of the press upon the Minister's retirement and opinions, of course, were affected largely by the political point of view. The Montreal *Herald,* of July 13th, described Mr. Blair as having been a "strong and courageous Minister," praised his administration of the Intercolonial and his conduct of the Railway Commission Bill, and expressed the belief that the country was poorer by his retirement. The London *Advertiser* took a similar line. The Toronto *Star,* of July 15th, had the following personal views: "It would be hard to imagine him welding a nation, or creating any monumental idea, but he was an efficient public servant in his Department. He performed his duties admirably. He understood detail. He was not dismayed by the dryness of routine. He liked work. He was intelligent and faithful. But he was also a Provincial Premier translated into a larger and more difficult scene."

The St. John *Telegraph,* which was supposed to be Mr. Blair's

* NOTE—No appointment was made until January, 1904, when the Hon. H. R. Emmerson became Mr. Blair's successor.



The Hon. Andrew G. Blair, K.C., M.P.
Minister of Railways and Canals. Resigned July 14th, 1903.



The Hon. William S. Fielding, D.C.L., M.P.
Dominion Minister of Finance.

special organ, declared that Liberalism in the Province of New Brunswick had sustained the greatest loss in its history, and the City of St. John the most powerful advocate it had ever had in the Councils of the nation. "Never, perhaps, since Confederation, has one man wielded the influence in Liberal circles in New Brunswick which Mr. Blair has wielded since 1896; for never before has one man been so closely acquainted with the people of the Province and with the forces, political, economic, and social, which go to make up the body politic. This, apart altogether from the question of ability, energy, and determination, which so eminently fitted him to be a leader of men."

The general Liberal feeling was that Sir Wilfrid Laurier had once more, as in the case of Mr. Tarte, indicated the strength of his personality and shown that he was, indeed, the Leader of his Government and his party. The Opposition feeling was one of natural elation at obtaining so strong an ally in their antagonism to the Government's Railway policy, and of hope that it might mean the beginning of some wider disintegration. The Montreal *Star,* of July 15th, declared that Mr. Blair "sees the folly of the scheme, its waste, its pillaging of public property, its arrogant selfishness; and he is prepared to cut short his political career at this point rather than share in the impudent transaction." The London *Free Press* pointed out that Mr. Blair had recently saved Liberalism in New Brunswick and claimed that now, without him, the party there would be in a perilous condition. "Two forceful Ministers," declared the *Mail and Empire,* "have gone out within a year. This is the most rapid process of disintegration in the history of Canadian Governments."

The Parliamentary Session of 1903

The longest Session in the history of the Dominion commenced at Ottawa, on March 12th, when His Excellency the Earl of Minto opened Parliament in state, accompanied by Lady Minto, Major-General Sir Charles Parsons, Commanding the Forces at Halifax; Major-General Lord Dundonald, Commanding the Militia; Mgr. Sbarretti, Apostolic Delegate; Archbishop Machray, of Rupert's Land, and many others. In his speech from the Throne, His Excellency referred to the Coronation; described the importance of bringing together the statesmen of the Empire in Conference, as had then been done; promised a Government Commission on Transportation; stated that a Treaty had been entered into for the judicial determination of the Alaska-Canada boundary by "a tribunal of six impartial jurists of repute;" intimated a coming re-adjustment of representation under the terms of the recent Census; and promised measures relating to the creation of a Railway Commission, the amendment of the Militia Act and the Patent Laws, the re-organization of the Marine and Fisheries Department, the settlement of railway-labour disputes, and the matter of Chinese immigration.

Apart from the great events of the Session which must be

dealt with separately—the Grand Trunk Pacific project, the Redistribution Bill, the Budget, the Railway Commission, and the Tariff discussions—a good deal took place which was of general interest or permanent value. A grant of $15,000 per annum, for five years, was made toward the establishment of a Canadian News service in London. A prolonged struggle occurred over the attempt of the Hamilton and Toronto Railway to have its system declared "a work for the general advantage of Canada"—thus removing street railways entering Toronto, Hamilton, and other municipalities from municipal control. A vigorous agitation against this claim in the Bill resulted in the adoption of amendments intended to safeguard Provincial and municipal rights.

Sir William Mulock carried through the House a measure for settling railway disputes by conciliation, failing which recourse was to be had to arbitration, and also passed a Bill raising the salaries of his postal employees. Upon the initiative of the Prime Minister the poll-tax on Chinese immigrants was increased to $500, and provision was also made for granting pensions to Superior Court Judges after certain extended terms of service. Canadian patents, which the Courts had deemed ineffective owing to the expiration of patents taken out in Foreign lands, were validated. Canal dues were suspended for two years and steamboat tonnage dues at Canadian ports were abolished. The law regarding contagious and infectious diseases in animals was variously amended and improved. The North-West Territories were given two more representatives in the Senate, making four in all, and a Resolution in favour of Irish Home Rule was passed. The mixture of oleomargarine, or butterine, with butter was prohibited. A surtax upon German goods was applied as a measure of retaliation and the granting of bounties was authorized in regard to lead-bearing ores, binder twine, structural steel, and wire rods.

Other legislation of the Session was the Act giving Government guarantees for a 720-mile extension of the Canadian Northern Railway; a measure increasing the subsidy to dry docks and subjecting those aided in this way to Government control and regulation; Mr. Fielding's measure respecting Dominion Notes; Mr. Fitzpatrick's Act amending the Criminal Code in various directions (afterwards withdrawn); Mr. Sifton's Act amending the Manitoba Grain Act; and various measures dealing with Controverted Elections, the Naturalization of Aliens, the Safety of Ships, the Inspection of Steamboats, the provision for further advances to the Harbour Commissioners of Montreal, the granting of financial aid to the North-West Territories, and increased assistance to the Quebec Bridge project.

Various subjects of importance were discussed during the Session outside of those already mentioned. On March 17th, Mr. W. F. Maclean severely criticized the Government for keeping Sir Oliver Mowat in office as Lieut.-Governor of Ontario without definitely renewing his appointment. He declared this practice

in Ontario or elsewhere to be a dangerous one, politically and constitutionally. The object of the constitution was "to make the Lieut.-Governor independent of the Government here and solely subject to the advice which his constitutional advisers may think proper to give him." Therefore, a new commission should be issued if it was desired to retain the incumbent in office over his period of five years. The Prime Minister, in replying, pointed out that under the constitution a Lieut.-Governor is appointed during the pleasure of the Governor-General. "During five years he is not removable, except for cause, and after five years he can be removed without cause." After pointing out cases of indefinite extension of office under the Conservatives—such as those of Sir John Schultz and Sir Leonard Tilley—Sir Wilfrid proceeded to vigorously defend Sir Oliver Mowat and his position as an experienced legislator, whose services were of great value to the Province. Mr. Maclean again drew attention to the subject, on March 30th, but was told by the Premier that Sir Oliver was able to perform the most of his duties and that an Administrator was being appointed for certain defined functions.

During the Session Mr. John Charlton endeavoured unsuccessfully to pass a measure regarding electoral corruption. He proposed to enact that any man offered a bribe should have the right to sue for and recover from the man making the proffer a sum not exceeding $500. Penalties were also proposed for abduction, or forcible detention of a voter, for threatening employees in any form, for undue influence by Government officials, for political assessments levied upon employees and for payments made by public officials in connection with the obtaining or retention of office. On May 14th the Hon. Mr. Fielding moved and carried the appointment of a Special Committee, composed of himself, and Messrs. Charlton, T. Chase Casgrain, Benjamin Russell, S. Barker, L. P. Demers, W. B. Northrup, A. T. Thompson, and A. B. Ingram, to consider the state of the laws respecting Dominion elections. During the following day the House discussed at length a complaint, presented by Mr. N. Boyd and Dr. W. J. Roche, that Dominion office-holders in Manitoba were using their positions for political purposes. The latter moved a Resolution censuring the Dominion Government, which was rejected by 71 to 22 votes, after Sir William Mulock and the Premier had strongly defended the Administration in this respect, and the Opposition Leader had as strongly denounced it. The Postmaster-General, in his speech, laid down the principle that "a public servant should be *persona grata* to the community, and that it is unwise for him to take part in any conflicts that divide the people into more or less hostile parties." Sir Wilfrid Laurier denied that there had been any such action as the dismissal of 150 Government employees in Manitoba since 1896, and declared that those who had been discharged were dealt with from excellent reasons. "I feel as strongly now, in 1903, as I did in 1896, that

when a man has taken a position in the Civil Service he should take no part whatever in politics."

A personal and political incident was the charge made by Mr. F. D. Monk against Mr. Georges Loy, member for Beauharnois, to the effect that he had indirectly sold a certain property to the Government and was, therefore, improperly holding his seat in Parliament. The matter was brought up in the House, on July 23rd, when Mr. Loy explained that he did not know at the time that the purchase of the property in question was on behalf of the Government. The subject was then referred to the Committee on Privileges and Elections, and Mr. Loy temporarily withdrew from the House. On August 5th the Committee submitted majority and minority Reports and the former, clearing Mr. Loy, was accepted by a majority in the Commons of 65. Mr. Tarte, who had been the Minister under whom the alleged infraction of Parliamentary independence was committed, vigorously defended Mr. Loy and his late Department. The former then returned to the House and received a Liberal ovation upon his acquittal.

Another incident of the personal kind was Mr. Walter Scott's charge, in a speech on August 31st, dealing incidentally with the history of the Calgary and Edmonton and Qu'Appelle and Saskatchewan Railways, that some person or persons had improperly made $16,303,891 out of the charter and construction of those roads. He proceeded to say that Mr. E. B. Osler was "one of the grafters, who, by himself and associates, had got away with this sum." The latter gentleman was not in the House at the time, but on September 3rd rose to a question of privilege and replied at length to the allegations. He gave a history of the roads, declared their financing was an example for the management of similar difficult undertakings in the West, expressed himself as proud of his connection with them, and alleged that all his transactions in the matter had been straightforward and honourable. The Prime Minister, in following, fully accepted Mr. Osler's statement that he did not personally profit in the transactions, but declined to believe that someone did not receive undue returns. Mr. Scott concluded the discussion by accepting Mr. Osler's statement, and withdrawing his charge so far as he was concerned.

As the Session drew to a close, Mr. A. C. Bell moved a motion of censure against the Government, on October 21st, for alleged extravagance. After a reply from Mr. Fielding, it was rejected by 68 to 30 votes. The Opposition * claimed the total expenditures, authorized or involved, during the preceding eight months had been $256,280,704. Parliament was prorogued on October 24th, after a speech from His Excellency the Governor-General, which congratulated the country upon its continued industrial progress, its expanding revenue and diminishing debt, and referred to the Grand Trunk Pacific legislation, the constitution of a permanent Board of Railway Commissioners, the subsidy

* NOTE—Mr. N. Boyd, *Hansard*, Page 14854.

granted a line of steamers to France, and the amendment of the Alien Naturalization law. A large number of measures were given the Royal Assent, as had previously been the case, on June 25th, when Chief Justice, Sir H. E. Taschereau had acted as Administrator and assented to a numerous list of Bills. That occasion had been interesting, as being the first time a French-Canadian had represented the Sovereign at Ottawa, in such a connection, since Confederation. Of the prorogation, on October 24th, and accompanying conditions, the Toronto *Globe* spoke as follows:

> The longest Session of Parliament, and one of the hardest in the history of Canada closes to-day. Much important legislation has been passed, and the great enterprise of another trans-continental railway has been launched. One of the most gratifying features of the Session's close is the great improvement in the Premier's health. Throughout the past two or three months he has shown unusual vitality and alertness, and even during the last wearisome days he was the brightest man in the House. This is eminently satisfactory to all parties, for Sir Wilfrid Laurier's health is at this moment one of Canada's greatest assets.

Other papers treated the subject in a similar strain, and the Ottawa correspondent of the Toronto *News* (October 23rd), after referring to the Premier's successful personal labours during the Session, made the following reference to Mr. Borden: "Since his illness of some months ago—an illness caused plainly by overwork and the disgracefully inadequate personal appointments in the House—Mr. Borden, the Opposition Leader, has been an admirable foil to the Premier. He has much running about the country to do, and has come back from each trip a better fighter, a little more considerate in his relations with his opponents—if that were possible—and throwing out a sort of indefinable atmosphere of growth." The following tabular statement, compiled from the voluminous *Hansard* of 1903, gives the chief debates and dates of this historic Session:

Alaskan Boundary Question.....March 13, 25, October 23.
Army "Ragging" in Great Britain.....May 15.
Auditor-General and the Government.....September 14, 16, October 2.
Barr Colony in North-West.....July 10, 14.
Bernier's proposed North Pole Expedition.....September 30.
Binder Twine, Bounty on.....July 24, 31.
Brockville and Sault Ste. Marie Railway Company.....July 27.
Budget Debate.....April 16, 20, 21, 23, 24, 27, 28, 29, 30.
Butter, Adulteration of.....June 19, 25, July 3.
Cable News Service, British.....August 7, September 7.
Canadian Northern Railway Guarantee.....June 10, 18, 19, 29, July 2.
Cattle Embargo, British.....March 24, June 8.
Cattle for South Africa, Purchase of.....June 25.
Cattle Guards on Railways.....March 26.
Census, Cost of.....October 12.
Mr. Chamberlain's Policy.....June 17.
Chignecto Marine Transport Railway.....June 10.
Chinese Immigration and Labour.....March 27, September 23.
Cigarettes, Prohibition of.....April 1, May 18, September 8.
Civil Service Salaries.....September 21, 28, October 14.
Cold Storage, Government Aid to.....July 29.

Corruption, Electoral.....April 2, 8, July 21, October 10, 20.
Criminal Code.....July 15, 28.
Defence, Imperial.....March 13, April 29.
Divorce Court.....March 26.
Dundonald, Major-Gen. Lord.....May 4.
Elections, Civil Servants and.....May 15.
Fast Atlantic Steamship Service.....October 17.
Financial Review.....October 21.
Freight and Transportation, Western.....May 5.
Fruit Markets' Act.....June 1.
Georgian Bay Canal.....April 15.
Germany, Fiscal Relations with.....March 13, April 16, 20, 29, 30.
Governorship of Ontario.....March 16, 17, 30, April 14.
Grain Act Amendment (Man.).....August 4.
Grand Trunk Pacific Railway.....June 17, 22, July 16, 22, 30, August 3, 5, 10, 11, 12, 13, 14, 17, 18, 19, 20, 21, 24, 25, 26, 27, 28, 31, September 1, 2, 3, 4, 14, 15, 21, 22, 23, 24, 29, 30.
Immigration and Immigrants....April 1, 7, 30, July 10, 14, 15, 17, Oct. 12.
Independence of Parliament.....July 22, August 4, 5.
Intercolonial Railway.....May 28, August 7.
Insolvency, Canadian .....May 4.
Ireland, Home Rule for.....March 31.
Iron and Steel Bounties.....June 9, August 4.
Judicial Salaries and Allowances..August 5, September 8, 15, October 17, 19.
Labour Questions and Incidents.....April 3, May 6, 11.
Lead Industry of British Columbia.....April 29, August 6.
Lumber Combine.....April 20.
Mail Faculties and Campaign Literature.....October 17, 19, 21, 22.
Militia Interests .....June 30, October 8.
Ministerial Changes (Tarte).....March 18, May 13.
Ministerial Changes (Blair).....July 16.
Montreal Harbour Commissioners, Advances to.....June 11.
Municipalities and Railway Powers.....July 7.
Newfoundland, Relations with.....March 13, April 27.
Notes, Dominion.....July 13.
Parliament, Earlier Sessions of.....March 25.
Penny Banks.....June 8, July 13, September 8.
Petitions re Grand Trunk Pacific.....October 2, 7, 23.
Post Office Salaries.....July 3, 6.
Prince Edward Island, Communication with....April 6, May 11, June 4, July 3.
Prince Edward Island, Telegraphic Communication with.....May 8.
Preferential Tariff.....April 16, 20, 21, 23-4, 27-8, 29, 30, June 2.
Preferential Trade.....March 13, April 16, 20, 30, June 17.
Quebec Bridge Agreement.....October 21, 22.
Railway Accidents.....April 15, 20.
Railway Commission....March 20, May 7, 26, 29, June 1, 2, 3, 5, 12, 15, 16, 23, 24, 26, 30, July 2, 6, 7, 8, 9, 10, October 13, 22.
Railway Labour Disputes, Settlement of.....May 6.
Railway Subsidies.....October 19.
Reciprocity with United States.....April 21, June 17.
Redistribution of Seats....March 31, April 14, 15, September 9, 10, 11, 16, 17, 18, 24, 25.
Seeds, Inspection and Sale of.....July 13, 23.
South African War Supplies.....March 30.
South African War Pensions.....October 21.
Steamship Line Subsidies.....July 31, September 8.
St. Lawrence Navigation.....June 5, July 29, September 30.
Stock Exchange Speculation.....July 21.
Subsidies to Provinces, Dominion.....March 30.
Supreme Court of Canada.....May 4.

Tariff, The Canadian....March 13, 18, April 16, 20, 21, 23, 24, 27, 28-9, 30, June 9, 17, August 4, 6.
Telephone Companies.....March 30, July 27.
Territorial Finances and Autonomy.....September 24, October 13.
Toronto and Hamilton Railway.....July 8.
Transportation Facilities.....May 26.
Treadgold (Yukon) Concession.....May 12, June 2, 11, 12, September 11.
Trent Valley Canal.....May 4.
Yukon Mining Regulations.....October 13.

The Grand Trunk Pacific Project

The pivotal subject of political discussion in Parliament and the country as a whole, during 1903, was the Government's scheme of a new Transcontinental Railway, running from Port Simpson, B.C., to Moncton, N.B. On March 27th, the House of Commons received a petition asking for the incorporation of the Grand Trunk Pacific Railway Company, with a capital of $75,000,000, and with the following incorporators: Hon. George A. Cox, Mr. E. R. Wood and Lieut.-Col. H. M. Pellatt, Toronto; Hon. William Gibson, Beamsville; Mr. John R. Booth, Ottawa; Hon. H. B. Rainville, M.P.P., Quebec; Messrs. Charles M. Hays, Frank W. Morse and William Wainwright, Montreal; and John Bell, K.C., Belleville. The route proposed was as follows: "From Quebec to Gravenhurst or North Bay, thence in a north-westerly and westerly direction, passing to the north of Lake Nepigon to a point in or near Winnipeg; thence westerly and north-westerly, passing through or near Battleford, Edmonton, and Dunvegan, or by such other more feasible route as may hereafter be located, and by way of either the Peace River Pass or the Pine River Pass, or other convenient and practicable pass in the Rocky Mountains, to Port Simpson or Bute Inlet—also branch lines to Port Arthur, Brandon, Regina and Calgary, respectively, and a branch from British Columbia to Dawson City."

Four days later the Incorporation Bill was introduced to the House. It provided that the capital stock might be issued in sterling money; that as soon as $2,000,000 worth of stock had been subscribed and 10 per cent. paid thereon the Provisional Directors were to call a meeting of shareholders in Montreal, so that the Directors might be chosen; that the Company might issue bonds to the extent of $30,000 per mile over the Quebec to North Bay or Gravenhurst section, and from the latter place to Winnipeg, with $20,000 per mile upon the Prairie section and $50,000 upon the Mountain section; that the Company should have power to build, acquire or operate vessels; to hold lands and wharves; to own hotels, restaurants, parks, etc.; that the Company might receive aid from any Government or corporation for any of their enterprises; that they should have authority to issue mortgage or land grant bonds to the extent of $2.00 per acre in the event of a land subsidy being given; that they should have full telegraph and telephone powers with right of lease to or from the Grand Trunk Railway. The measure was variously discussed

in the Railway Committee, and on June 22nd the Premier intimated that the Company would probably apply to the Government for aid, while the Hon. Mr. Blair emphasized the point that if aid were given the Government would then be in a position to dictate terms and arrange any amendments, alterations or changes which might be deemed desirable.

On July 3rd, the *Globe's* Ottawa correspondent intimated that the main features of the Government's policy in this connection had been decided upon, and that a contract with the Company would be shortly signed. Under the proposed arrangement the Government were to construct a line from Moncton to Winnipeg *via* Quebec, and then lease it to the Grand Trunk Pacific Company for a term of 50 years; guarantee the bonds of the Company for the railway constructed by them; maintain control over rates and give other Companies running rights over the Government part of the Line. The capital was to be reduced to $45,000,000; the Company were to deposit $5,000,000 in approved securities or cash in the Bank of Montreal; the majority of the Directors were to be Canadians; and the materials required in construction were as far as possible to be bought in Canada. Mr. C. M. Hays was stated to be the future President of the Company and Mr. Wainwright, Vice-President, with Lord Rothschild, Lord Welby, Sir Charles Rivers-Wilson and Mr. A. W. Smithers amongst the probable Directors.

The Project Presented to Parliament

Sir Wilfrid Laurier introduced in the House of Commons, on July 31st, his "Act to provide for the construction of a National Trans-continental Railway." His speech of nearly three hours was a singularly eloquent and at times vigorous presentation of the subject, and created the greatest enthusiasm amongst his supporters. The measure, he pointed out, was divided into two parts. The first provided for a Commission to be composed of three members, who would be empowered to build the Government portion of the Line from Moncton to Winnipeg, and it defined their powers and duties and obligations. The second part provided for the ratification of a contract which had been entered into between the Government and certain gentlemen who were seeking incorporation under the name of the Grand Trunk Pacific Company.

Before going into details the Premier gave some of the reasons for undertaking this important project. In the first place, he believed they were meeting an almost universal wish in the country for a Trans-continental Railway, which should be absolutely and entirely upon Canadian soil and thus meet a national as well as a commercial need. He did not believe in delay. "The flood-tide is upon us that leads to fortune; if we let it pass it may never recur again. If we let it pass, the voyage of our national life, bright as it is to-day, will be arrested in the shallows." Neither time nor development would wait in these busy history-making days.

Map of the Route of the Projected Grand Trunk Pacific Railway

In the next place it was necessary to meet the needs of the growing West. "We consider that it is the duty of all those who sit within these walls by the will of the people to provide immediate means whereby the labours of those new settlers may find an exit to the ocean at least possible cost; and whereby, likewise, a market may be found for those who toil in the forests, in the fields, in the mines, and in the shops of the older Provinces. This is our duty. It is immediate and imperative." The Premier then proceeded to deal with the Government part of the project—a road westward from Moncton, at the junction of the Halifax and St. John lines. As to the objection regarding the Intercolonial, and the claim that it should not be side-tracked, he said: "The answer is that the Intercolonial never was intended, and never was conceived, and never was built for trans-continental traffic. The Intercolonial was first conceived as a military road. It was built and located for political, not from any commercial considerations." In any case it was built for the conditions of 1867, and the requirements of the present and the near future were very different.

The route of this part of the new Line was to be from the Quebec Bridge, through the Counties of Levis, Bellechasse, Montmagny, L'Islet, Kamouraska, and Temiscouata to the Town of Edmundston (where it would connect with the St. John railways) and thence to Moncton. He denied that this route would parallel the Intercolonial, and again deprecated the usefulness of that road for purposes of trans-continental transportation. He referred to the various allusions in the House during 1881-84 to the inadequacy of the Intercolonial, and the need of a shorter line of railway to the Atlantic coast, and quoted a Resolution, introduced in 1884 by Sir Charles Tupper, offering a 15-year subsidy of $170,000 per annum for the construction of such a road; together with a long extract from his speech in support of the proposition.

The shorter line had been eventually constructed, but it was done by the Canadian Pacific Railway across the State of Maine, and the Premier went on to claim that the necessity still existed, only in a greater degree, for the short line upon Canadian territory. With this subject he dealt at length from the historical point of view, and then turned to the imperative desirability of being independent of the United States in the possible event of an abrogation of the bonding privilege. "We lay it down as a principle upon which we are to be judged by friend and foe that we are to have a trans-continental railway, that its termini must be in Canadian waters, and that the whole line, every inch of it, must be on Canadian territory." Mr. Carnegie's suggested retaliation in bonding matters for any preference given Canada by Britain was referred to; Mr. Cleveland's threat of 1888, in this direction, was quoted; and a fresh appeal was made to Canadians to stand commercially as well as politically free of the United States. "The best and most effective way to maintain friendship with our American neighbours is to be absolutely independent of them."

As to trade, "the business of the new road will be created by itself; it will be a business which is not in existence to-day." As to the Intercolonial, it was made for the people of Canada and not the reverse. Petty interests should be subservient to national needs. As to the cost of the proposed National railway he claimed that as they were not operating it themselves there would only be a few years' interest to pay, amounting altogether to about $13,000,000. He spoke of the wealth of information in the hands of the Government as to the route which was to be followed by the projected railway; dealt with the fertility and great possibilities of the Western country through which it was to pass; described the surveys which had been made—especially of the Mountain region—and the results of which were now in their hands as a source of guidance; dealt with the fine country in the Nipissing, Algoma and Thunder Bay Districts of Western Ontario, which would be opened up; and described the valuable sections of country in Quebec which it would help to develop.

To recapitulate what I am stating, it is established that the railway can be easily built across the Rocky Mountains by way of the Pine River or the Peace River; it is established that along these rivers will be found rich prairies equal in fertility to the best land along the Saskatchewan River and the Red River; it is established that the railway, built by way of either the Pine River or the Peace River, would place us in communication with the famous Omineca district, famous for its gold mines which to-day are idle because it is impossible for the miner to get access to them with his tools and provisions, but which, probably, the moment we secure access to them will become valuable and develop into another Klondike; it is established that the region between Winnipeg and Quebec is a fertile clay belt rich in good land, rich in timber, rich in water-powers, rich in all those resources which go to make a fine agricultural and industrial country.

The project was, he declared, needed for the farmers of the Western regions, for the coming thousands of immigrants, for the manufacturers of the East, for the lumber interests of Ontario, Quebec, and British Columbia, for the cattle ranchers in the shadow of the Rockies, for the development of trade with far eastern countries. He then proceeded to give the details of the contract and agreement with the Grand Trunk Pacific Railway Company, dated July 29th, 1903, and these must be briefly summarized here. The Eastern Division of the National Trans-continental Railway, extending from Moncton to Winnipeg, was to be constructed by the Government and to be under the control of three Commissioners, appointed by the Governor-General-in-Council, and constituted as a corporate body. There was to be a Secretary to the Commission and a Government Engineer, and the Commissioners were given the right to expropriate the necessary land and use all the usual powers of a railway company.

Regulations were laid down as to salaries, methods of work and management, payment of moneys, etc. Following these preliminary enactments as to the Government part of the Line, the agreement was given as made between His Majesty the King,

represented by the Hon. William S. Fielding, Acting Minister of Railways and Canals, and the Grand Trunk Pacific Company, represented by Sir Charles Rivers-Wilson, C.B., G.C.M.G., Lord Welby, John A. Clutton-Brock, Joseph Price and A. W. Smithers, of London, England; C. M. Hays, F. W. Morse, and W. Wainwright, of Montreal; and John Bell, of Kingston. The chief conditions were as follows:

1. There were to be two Divisions—the Eastern and the Western. The former was to be the Government Line from Moncton to Winnipeg; the latter the Company's Line from Winnipeg to the Pacific Coast.

2. The Western Division was to be divided into the Prairie Section reaching to the Rocky Mountains and the Mountain Section extending thence to the Pacific Coast.

3. The Eastern Division was to be constructed by and at the expense of the Government.

4. It was to be constructed wholly on Canadian territory.

5. The Company agreed to construct, maintain and operate the Western Division and to take a lease of, maintain and operate the Eastern Division.

6. The Government and the Company agreed to mutually consult as to the construction of the Eastern Division and the Government undertook to submit specifications, etc., to the joint supervision, inspection and acceptance of the respective Chief Engineers, so as to ensure economical construction and operation to the best future advantage.

7. The Government undertook to commence construction of its Division as soon as the surveys could be made and location determined and to complete the work with all possible despatch. The Company undertook to commence work at once and to complete the Western Division within 5 years from December 1st unless prevented by causes beyond its control.

8. The Company undertook to submit the plans and specifications of the Western Division for the Government's approval and to lay out, construct, and equip the Line in a way not inferior to that of the Grand Trunk Railway between Montreal and Toronto—except in the matter of a double track.

9. "The Company shall within 30 days after the passing of the Act confirming this agreement and of the Act incorporating the Company hereinafter referred to, deposit with the Government five million dollars in cash or approved Government securities, or partly in cash and partly in such approved securities, at the Company's option, as security for the construction of the Western Division and the first equipment of the whole line of railway as provided for in this Agreement."

10. The Government agreed (after very full details and definitions of the cost of construction and working expenditures had been given) to lease the Eastern Division to the Company for a period of 50 years upon the following terms: For the first seven years the Company will pay no rental, but for the remaining 43 years the rental will be 3 per cent. upon the cost of construction. If, during the first three years of the latter period the net earnings do not amount to 3 per cent. of the cost of construction the difference between net earnings and rental will be capitalized and added to the total upon which rental may be paid. The right of extension, upon terms mutually agreeable, was to be allowed for a further period of 50 years.

11. Under this arrangement the Company agreed to equip both Divisions with modern and complete rolling stock sufficient, in the opinion of the Government, for efficient operation and for the handling of all classes of traffic. The first equipment for the complete road was to be at least $20,000,000 in value and of this $5,000,000 was to be assigned to the Eastern Division.

12. The Government reserved powers of running and haulage rights

over the Eastern Division for the Intercolonial or other lines of railway and over the Western Division for any lines of railway, subject to terms of agreement with the Company, and the latter were given similar rights over the Intercolonial.

13. Disputes under this Agreement were to be submitted to arbitration or to the Board of Railway Commissioners (if created) and subject to appeal to the Supreme Court of Canada.

14. The capital stock of the Company was to be $45,000,000, of which not more than $20,000,000 was to be preferred and not less than $25,000,000 common stock. Of the latter stock the Grand Trunk Railway Company of Canada was to acquire and take $25,000,000 worth.

15. For the purpose of aiding construction of the Western Division the Government agreed to guarantee payment of principal and interest of an issue of bonds, bearing 3 per cent. interest on an amount equal to 75 per cent. of the cost of construction and not to exceed $13,000 per mile of the Prairie Section and $30,000 per mile of the Mountain Section. They were to be payable in 50 years and to be issued so soon as the Western Division was constructed and the Eastern Division furnished with its first equipment, as above, or the deposit above mentioned still left unforfeited in the hands of the Government.

16. The Grand Trunk Company were to undertake the guarantee of a second series of bonds to be issued by the Company in order to meet the cost of completing the Mountain Section.

17. Upon expert traffic not specially routed the Company undertook to grant as low through rates *via* Canadian ports as by way of United States ports and to carry all freight not otherwise routed to Canadian ocean ports. "It is hereby declared and agreed between the parties to this agreement that the aid herein provided for is granted by the Government of Canada for the express purpose of encouraging the development of Canadian trade and the transportation of goods through Canadian channels. The Company accept the aid on these conditions."

18. The Company agreed to purchase all supplies, equipment, etc., in Canada when conditions and prices would permit.

19. The Company undertook to arrange for shipping connections upon both the Atlantic and Pacific coasts, at Canadian ports, in order to transport its inward and outward traffic.

Parliamentary Discussion of the Project

During many succeeding weeks the debate upon the measure, or its clauses, continued with intermissions. Following the Premier's speech on July 30th, Mr. R. L. Borden warmly deprecated the omission to supply him with an advance copy of the Bill, but criticized the proposals from the speech to which he had just listened. He objected to the declaration that in the bonding privilege matter we were at the mercy of the United States, and proclaimed that privilege to be as useful to them as it was to us, and perhaps more so. The Premier's project put back the prospect of Government ownership of railways in Canada for at least fifty years; it enabled the Grand Trunk Railway Company to practically control the Intercolonial; it reversed the Government policy of a few years since, under which the Drummond County Railway was purchased in order to bring the Intercolonial into Montreal, and thence extend it westward; it presented a scheme of a hybrid and, therefore, of a difficult, character; it would give the Grand Trunk Railway the power—despite the smooth words of the Bill—to direct the whole traffic of the Line to Portland and other United States ports; it would not

solve the pressure upon railways in the West for shipment of grain; it would cost at least $65,000,000, instead of $13,000,000, as claimed by the Premier. The Hon. J. G. Haggart followed in a brief speech of criticism.

On August 11th, the debate was continued by the Hon. A. G. Blair, the late Minister of Railways. He declared himself absolutely unconvinced by the Premier's eloquent deliverance. He knew of no reason for haste in the matter, and many reasons for care and caution. As to the Premier's claim that "we cannot wait, because time will not wait," it would have been as correct, if not so poetic, to have said: "We cannot wait because Senator Cox cannot wait." There should, he thought, be more time for popular consideration of so great a project. As to the bonding privilege the position was neither better nor worse than it had been for thirty years, and there was certainly no need to appeal to national prejudices upon this point in order to carry the measure. The Canadian Pacific Railway was an ocean to ocean line and, in every true sense of the word, a national railway. The Canadian Northern would soon be another. The Premier was proposing not the first, but practically a third, trans-continental road. He believed the entire urgency of the matter—the immediate necessity of the railway—to lie in the fact that the Grand Trunk Railway Company wanted it and had got the ear of the Government. He thought they had done pretty well during the Session in guaranteeing $9,000,000 of Canadian Northern bonds, and his own idea for securing Canadian trade to Canadian seaports would be an extension of the Intercolonial to Georgian Bay by the acquisition of the Canada Atlantic.

Mr. Blair proceeded to express much doubt as to the available information concerning the route of the projected railway; to declare the proposed use of the rails by other lines to be an "absolutely unworkable and senseless suggestion;" to claim that the Government should have undertaken the responsibility of owning and operating any road which they undertook to build; to declare the Grand Trunk Pacific Railway Company the practical owner of the whole road; to protest against giving the easy Prairie Section to the Company to build when it, above all other portions, should have been constructed by the Government; to add the belief that even its construction was at present very premature from the point of view of population, business, or necessity. He spoke at length upon the relation of the new road to the Intercolonial; its competitive and destructive influence upon another Government railway. He expressed the belief in detailed figures that the project would lay upon the country a liability of $121,000,000, and declared in a general way that the whole proposal seemed to be ill-considered and hasty. Mr. John Charlton and Mr. F. D. Monk followed.

On August 12th, Mr. Fielding, Minister of Finance, spoke. He referred to the great resources of the country through which

the new line was to pass; asked why they should not parallel the Intercolonial, if necessary, as well as company lines; strongly approved of Moncton as the Atlantic terminal point, because of its central and convenient position to Maritime Province interests; declared that the possibility of an abrogation of the bonding privilege was always present, and would not be stopped at a crisis by any joint interest of a part of the American people in its maintenance; pointed out that the Grand Trunk Railway, with its wealth and resources, was behind this project; claimed that by giving the Intercolonial right of way over the new road, they were practically extending it to Winnipeg; spoke of various branches which would be built, including one to reach Lake Superior, another to connect with the Temiskaming and the Ontario system of the Grand Trunk, and others probably to reach Montreal and St. John; expressed entire belief in the guarantees as to carrying goods to Canadian ports; endorsed the Premier's estimate of national expenditure upon the project as $13,000,000; and pointed to the Company's deposit of $5,000,000, as against the original Canadian Pacific Railway deposit of $1,000,000 security.

Mr. Samuel Barker and the Hon. Mr. Sifton, Minister of the Interior, followed. The latter, on August 13th, dealt with the need of this new railway in the West. "While the congestion was not serious in the early stages of the development of the country, it has now, according to the testimony of competent observers, reached a stage when it is absolutely necessary that effective relief should be given. I wish to point out to this House, in connection with the situation there, that a most important part of Canada is so situated as to be a thousand miles away from the other portions of the country with which it has political and business affiliations; and you have immediately south of our Western territory a well-developed, well-peopled district, with vigorous and capable railway systems. Immediately to the south of the boundary line, between Manitoba and the States of Minnesota and Dakota, there are four or five of the finest railways in the world." Already much trade was going to the South because of this congestion. He was very hopeful as to the business which would come to the new Line, and declared that in ten years from its completion 20,000,000 acres of now worthless Government land would be worth at least $3.00 an acre.

The Hon. J. G. Haggart followed, and pointed out that the new road would be duplicating the Canadian Pacific Railway from Wabigoon to Winnipeg and existing lines from Winnipeg to Edmonton. The Hon. H. R. Emmerson, in speaking on the succeeding day, described the scheme as combining the advantages of Government ownership, while escaping its disadvantages, with the benefits of private ownership. It afforded Government aid and control without inflicting heavy burdens upon the people. "By this scheme of the Government we have curbed to a certain

extent the political influence that may be exercised by private (railway) corporations." Dr. T. S. Sproule, in his speech, asked if it was such a financial advantage to have the Grand Trunk behind this project, why the latter Company had never been invited to pay back the $15,000,000 lent it by the Upper Canadian Government in the "fifties," with its accumulation of $43,000,000 of interest? He also claimed that Ontario was being sidetracked, and the future earning powers of the Canadian Pacific Railway, the Canada Atlantic, and the Grand Trunk itself reduced by the projected Line.

The next speaker was Mr. Rodolphe Lemieux, K.C., who commenced with an eloquent summarized basis for the project as being necessary for the development of Canadian trade, the freeing of Canada from commercial bondage to the United States, the development of New Ontario, New Quebec, and the great prairies of the West, the permanence of Canadian unity and progress. He referred to the agitation in favour of the Trans-Canada Railway project as showing that there was an Eastern as well as a Western demand for the road. There was, he claimed, no burdensome land grant in the present case, no monopoly of powers and privileges, no exemption from taxation. Mr. Frank Oliver, of Alberta followed, and expressed himself as preferring a Government-owned and controlled road, but as being also willing to take what he could get in that direction. He supported the project for the following reasons:

Because it doubles the industrial and productive area of Canada. Because it doubles opportunity for every man in Canada. Because it offers the shortest and best all-Canadian line from tide-water to tide-water, summer and winter. Because it is the only all-British railway across the continent under one management. Because it is so situated as to be most secure from foreign invasion; giving depth and, therefore, strength to our country, to the advantage of both Canada and the Empire. Because it gives development and competition in transportation to 1,200 miles of grain-growing country in the West, as compared with 400 miles of such country developed by the Canadian Pacific Railway.

Because it develops vast coal fields on the Saskatchewan, Athabasca and Peace Rivers for the supply of fuel to the prairies. Because it gives the most north-westerly part of the prairie region, which is furthest from the Atlantic, a short outlet to the Pacific. Because it connects the railway system of Canada with 2,000 miles of steamboat navigation on the Athabasca, Peace, Liard and Mackenzie Rivers, their great lakes, and the Arctic Ocean. Because it develops mining and lumbering in northern British Columbia and provides facilities for profitable interchange of mutual necessities between the prairies and mountain regions of the far West.

Because it ensures a third railway outlet from and through the wheat fields to the lakes. Because it develops a thousand miles of northern Ontario and Quebec, at present unknown and inaccessible. Because it cuts nearly 200 miles off the present Intercolonial distance between Quebec and Canada's nearest winter port, St. John. Because by Government-ownership and control of rates, with modern construction and adequate equipment, it provides an all-year-round outlet for Western grain; and gives the merchants and manufacturers of Eastern Canada profitable access to the market of the great West.

Because it does this without land grant, tax exemption or Provincial

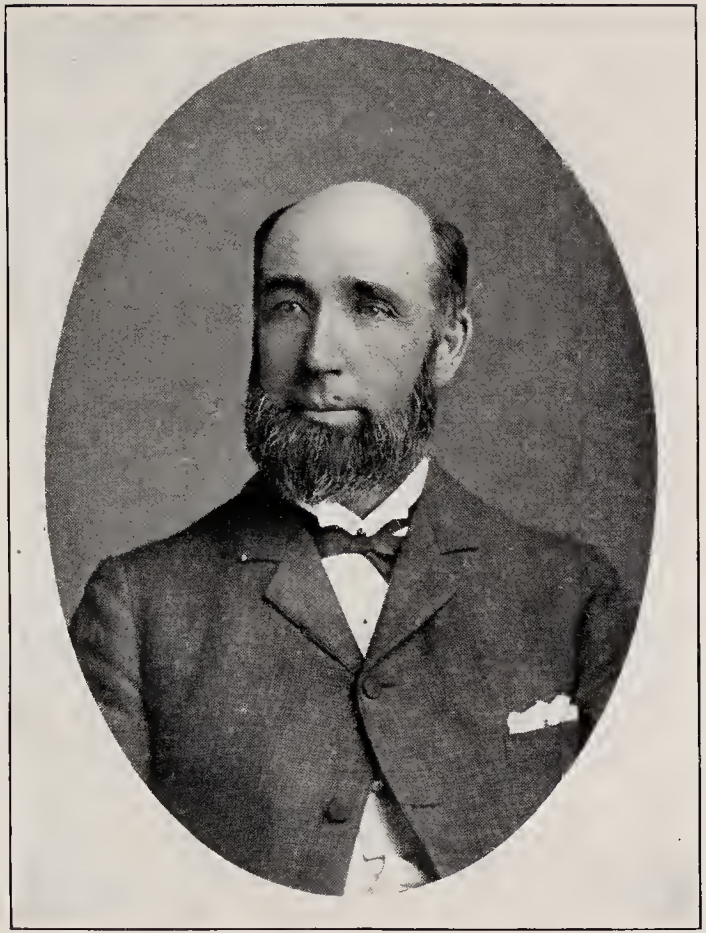
or local aid of any kind. Because it induces the investment of one hundred millions of British capital in Canada ; and correspondingly interests the British public in Canada's welfare. Because co-operation with the Grand Trunk Company secures effective, satisfactory and business-like operation ; ensures fulfilment of all engagements, provides business from the start and secures the Government from payment on its guarantee. Because by that co-operation all principal points in Eastern Canada are put in direct connection with the West without extra cost.

Because it transfers the through-traffic interests of the Grand Trunk from the Western States to Western Canada. Because it provides against over-capitalization, for effective Government control of rates, and secures running rights to other roads throughout its whole length. Because an Atlantic outlet for the Canadian Northern and extension of the Intercolonial to the wheat fields, is provided for without a cent of additional public cost. Because it gives maximum public control for a minimum public outlay, and absolute security for the financial responsibility assumed.

On March 17th, Mr. Haughton Lennox, Mr. Aulay Morrison, Col. Samuel Hughes and Mr. Benjamin Russell spoke at length upon the subject and, on the following day, Mr. R. L. Borden presented an exhaustive consideration of the whole question from the Opposition standpoint, while offering at the same time an alternative proposition. He took the ground that no crisis existed in the country, no urgent demand, and no immediate requirement, for such a railway; reviewed the arguments of previous speakers and quoted Sir Sandford Fleming as saying that the new Line between Quebec and Moncton, if built so as to take the grades required for economical hauling, would save no distance at all as against the Intercolonial and the Premier's claim of a saving of 120 to 140 miles. He dealt elaborately with the question of grain rates by rail and water, in Canada and the United States, and came to the conclusion that the new road could not command sufficient business to pay. Under present practices in shipment, he believed that "the Grand Trunk is at perfect liberty, under the terms of the contract, to carry to an American port every pound of freight which it thus secures at Lake Superior." He then pointed out the objects which he believed should be aimed at in dealing with the transportation question at the present time:

1. To secure the lowest possible rate for Canadian products and to ensure their transportation through Canadian channels.
2. To promote trade and intercourse between the industrial East and the agricultural and mineral West of Canada.
3. To take immediate steps for the relief of any existing congestion of traffic, and to encourage colonization and settlement.
4. To develop and utilize the Intercolonial and the inland waterways of Canada upon which there had been over $150,000,000 already expended.
5. To obtain equivalent advantages for any aid given railways, to act in concert with individual enterprise, while preventing monopolies and maintaining efficient control over great corporations.
6. To exercise the right of eminent domain, with due compensation, wherever national interests might make public ownership of any portion of any great line of transportation desirable.

The present plan did nothing, Mr. Borden claimed, to ensure



THE HON. GEORGE A. COX

Senator of the Dominion of Canada. One of the Promoters of the Grand Trunk Pacific Railway.

WILLIAM MACKENZIE

Of the Canadian Northern Railway

or promote a reduction of rates; the capitalization was too high; the pledge to carry freight to Canadian ports was of no legal value; the Intercolonial's usefulness and opportunities would be destroyed and an expenditure of $85,000,000 nullified. He then outlined a policy for consideration as an alternative. It included the extension of the Intercolonial to a Georgian Bay port by the Government acquisition of the Canada Atlantic Railway; the acquisition of the Canadian Pacific Railway from North Bay around the shores of Lake Superior to Fort William, and its operation by an independent Commission with equal running powers over it to the Canadian Pacific Railway, the Grand Trunk, the Intercolonial, and the Canadian Northern; the improvement of the grades of the Canadian Pacific Railway, or Canadian Northern, between Fort William and Winnipeg, in return for running powers over its line for the Grand Trunk Railway and the Intercolonial; assistance to the Grand Trunk Pacific Company, on reasonable terms, to build a line north of the Canadian Northern and as far west as Edmonton.

He did not believe there was any demand or need at present for a second railway from Edmonton to the Pacific Coast. When the time came one line should be built across the mountains from a junction point of the Grand Trunk Pacific and the Canadian Northern. He deprecated the present building of a line from Quebec to Winnipeg, and thought a simple colonization road sufficient. He urged the development of the national waterways. "Thoroughly equip our Georgian Bay ports, our national waterways, our St. Lawrence routes, and our ports on the Atlantic coast. Give them the terminal facilities which shall enable them to compete with the American ports. Give them, if necessary to properly compete with the American ports, free terminals. Give them terminals on the Georgian Bay, both on the east and west coasts, develop the waterways on the St. Lawrence route, develop the facilities at Port Colborne, exploit the Harbour at Montreal, and make that a national port, a free port in the true sense of the term. Do the same with regard to the Port of Quebec, with regard to the Port of Halifax." The Opposition Leader concluded by contrasting this policy with that of the Government as follows:

1. It combines prompt action with deliberation and caution.
2. It develops and does not throttle the Intercolonial.
3. It takes account of the expenditure upon the Intercolonial and upon the inland waterways, and brings those great national highways into harmony with our project.
4. It develops transportation along the lines of least resistance—that is to say by water and by water and rail.
5. While connecting at the same time all the great railway systems in Canada, it controls, in the only effective way, the carriage of Canadian products through Canadian channels by enabling the people's railway to compete for this traffic.
6. It affords immediate relief to the congestion of the West by bringing the Grand Trunk Railway into Winnipeg without delay.

7. It insists that further railway development in the West shall not only give necessary competition in settled districts, but shall open and develop the new country.

The Hon. Mr. Fitzpatrick, Minister of Justice, followed, and estimated, in detail, the cost of Mr. Borden's project at $75,000,000; declared that the Government's plan would open up for settlement enormous areas in New Brunswick, Quebec, Ontario, Manitoba, the Territories, and British Columbia; pointed to the prolonged desire of the people of Quebec for direct railway connection with the West; described Mr. Borden's plan as a good summer scheme, but as bringing the winter trade to Montreal, and to that city's winter port at Boston, Portland or New York, expressed the view that what Portland was now to the Grand Trunk, Boston was going to be to the Canadian Pacific Railway; claimed that Canadian products would never obtain the price and reputation they deserved until they went direct from Canadian shores to their natural market in Britain; denounced Mr. Blair's reference to alleged relations between Senator Cox and the Government and "the vile, contemptible suggestion that we are acting from unworthy motives;" dealt very fully with the financial side of the project, and the advantages emanating from control of the rates and running rights over the road.

It is impossible, and would be unnecessary, to enumerate the speakers who followed* and only a very few of the speeches can be even referred to. On August 24th, the Hon. Mr. Fisher, Minister of Agriculture, spoke at some length. He contended that for the past year or two there had been a steadily crystalizing conviction in the minds of Canadians that another outlet for the products of the West would soon be imperatively needed. After referring to the growth of Manitoba and the North-West and the expected completion of the new road by 1908, Mr. Fisher expressed his belief that in 1911 there would be 100,000,000 bushels of surplus wheat in that region for export and 165,000 car-loads of cattle. If there was congestion in traffic now, what would there be in a few years? Sir Richard Cartwright, Minister of Trade and Commerce, spoke on the following day, and referred with some elaboration to the history of the Canadian Pacific Railway scheme. As to the present plan, he believed it one of those really good bargains which would be of benefit to both parties.

> The Grand Trunk Railway could not finance conveniently a trans-continental railway on its own resources. Strong as may be the hold it undoubtedly has on a large section of the English public, I think that is rather beyond its power, and the Government guarantee is worth many millions to it, if not absolutely indispensable. On the other hand, I equally strongly believe that the Government by the terms it has made, by the mode in which it proposes to deal with this great question, is likely to escape from a sea of difficulties. Sir, were the Government to own and operate this trans-continental railway, and in particular to own and operate a section so remote as that west of Winnipeg, there would be no

* NOTE—*Hansard* for August and September, 1903, may be consulted for full particulars. Pages 9040 to 12800.

end to the demands that would almost of necessity be made upon it for the construction of branches here, there and everywhere, for the lowering of rates and for concessions in every possible shape and form. I have seen enough in my time of Government management of railways, and I do not hesitate to say that, in the present form of Government which subsists, in Canada at any rate, it would be highly impolitic and prejudicial to the best interests of the country for the Government to own and operate a great system of railways.

Mr. J. Israel Tarte, who followed, devoted himself largely to a picture of the general transportation system, together with the present tendencies toward United States channels of trade and ports, and the general desire for Canadian channels and ports. Improvement of the St. Lawrence route and the Port of Montreal, with better accommodation on the Lakes, was his policy, and he altogether doubted the securities in the present project for the patronage of Canadian ports. Mr. Henri Bourassa was the next speaker, and, though supporting the Government upon the general lines of the project, he objected to the Quebec-Moncton portion, and believed the Intercolonial might have been utilized. Sir William Mulock spoke on August 26th, and dealt minutely with Mr. Borden's scheme, which he analyzed in its different divisions of Government and company construction and purchased powers. He estimated that it would involve the building of 7,041 miles of road; the expenditure upon construction and purchase as far as Winnipeg of $84,000,000; and a total expenditure thence to the Pacific Coast, and on the Quebec to Winnipeg colonization road of $118,000,000 more. If Mr. Borden's collateral development schemes were carried out the total cost to the country would not be less than $255,900,000, as compared with Sir Wilfrid Laurier's modest expenditure of $13,000,000. Mr. T. O. Davis, on August 28th, declared that it was not a question of "Senator Cox cannot wait," or of Mr. Blair acting as a fly on the wheel. "The people of the West say they cannot wait." Mr. R. A. Pringle, three days later, brought out the point that, in 1902, Canada did $70,000,000, or 17 per cent. of its trade, through United States ports.

The Hon. Mr. Paterson, Minister of Customs, spoke on September 1st, and, after criticizing the Opposition scheme at length, expressed himself as not believing in any abrogation of the bonding privilege. But it was possible and we should be prepared for it. In his opinion this project met an imperative demand in the West, would give competition and reduce freight rates, would build up the Atlantic ports and give us another port on the Pacific, would attract immigration and capital, and aid the Eastern manufacturer and Western farmer. On September 1st a division was taken upon the amendment of Mr. N. Boyd to the Premier's motion introducing the Bill. It was in favour of "extending and developing our system of Government railways and of placing the operation thereof entirely beyond the region of party politics." This was lost by 119 to 68, and another amend-

ment proposed by Mr. A. W. Puttee, in favour of the adoption of "a definite policy of Government construction and operation of railways" was also rejected by 135 to 50. Mr. Chase Casgrain then moved: "To suspend the confirmation of the said agreement until such time as this House shall be in possession of the Report of the Transportation Commission just constituted, and until the members of this House shall have had an opportunity of consulting their constituents upon the terms and conditions of the said agreement." The vote upon this amendment was 117 against to 70 for, and the main motion then carried by 117 to 71. The House promptly went into Committee and during the next month discussed the measure in detail, and with a cloud of amendments from the Opposition—very few of which received any Government consideration.

Upon the third reading of the measure, on September 29th, Mr. R. L. Borden spoke at length, and dealt with the preceding discussions and arguments. He estimated the cost of his alternative proposals at $47,465,000 as against $106,389,725 for the Government scheme. He reviewed his objections to the proposed policy, and moved an elaborate Resolution embodying this criticism and presenting the reasons for his own scheme. The motion declared that the House had not sufficient information; that the Railway Commission should investigate and report upon existing conditions before such a serious step was taken; that the present Government system of railways should be developed and improved in Quebec and the Maritime Provinces, and extended from Montreal westward so as to reach the products of Manitoba and the Territories; that, wherever expedient, new lines of railway should be brought under Government control or ownership; that material aid by way of guarantee or otherwise should be given to railway construction in the West and colonization railways in the East; that Canadian canals should be enlarged and improved, the lake and river routes developed, and the national ports equipped; that a system of elevator warehousing and free terminal facilities should be perfected; that an absolute and thorough control of rates, in return for Government aid, should be secured; that the management of all railways, owned or controlled by the Government, should be freed from political control, influence, or interference.

Sir Wilfrid Laurier replied briefly. He asked where, in this Resolution, was the definite alternative policy which Mr. Borden had previously proposed. It was simply a mass of glittering generalities. He criticized the acquisition of the Canada Atlantic Railway on the ground that the bulk of its business was done with United States centres and American connections—a business which the Government could hardly go into. If they acquired the fleet of steamers on the Lakes now owned by that Line, and needed for its business, the Government would have to work their vessels under an American register! As to improving the water

routes the Government, during the past few years, had spent $16,000,000 upon that very object. He compared the two schemes and claimed that, after all, there was not so very much difference, excepting that his own was the first and the best in details and general character.

Other speakers followed, and the amendment was rejected by 75 to 37 votes. Mr. E. B. Osler then moved that "all materials or supplies of any kind which are not the products of Canadian labour" and which were to be used in construction, improvement, replacement, etc., should be liable to the usual customs duties. The Hon. Mr. Fielding contended that such an enactment was quite unnecessary. The position with respect to the new railway would be exactly that which the Government had held for many years toward the Intercolonial—the right, but not the practice, of importing material free of duty. The Opposition supported Mr. Osler in contending that the measure left the matter open for undue competition with Canadian industries. The amendment was rejected by 78 to 39. Various other amendents were negatived, and on September 30th the Bill passed its third reading.

The measure was discussed in the Senate on October 13th, and Hon. George A. Cox took occasion to deprecate the unfair use which had been made of his name by the Hon. Mr. Blair and the Opposition. The project had been well under way when Mr. Hays had honoured him with a request to be one of the Provisional Directors of the Company, and he had accepted the position in the great undertaking which was thus offered. That was the only basis for the untruthful criticism which had been poured upon him in and out of Parliament. As to Mr. Blair's initial assertion that "Senator Cox cannot wait," he said: "I have been waiting for the ex-Minister either to apologize and remove the false impression that his words have conveyed to the public, or else to do me the justice to explain to the country and to myself what he meant by using my name in the way he did. In the meantime, in the absence of such apology or explanation, I desire to say to this Honourable House that the implied charge of improper conduct upon my part, or of any undue influence with the Government, or with any member of it, is absolutely and entirely false; that there is no foundation whatever, in fact, for such a slanderous statement." The Bill passed its third reading in the Senate on October 20th. Mr. L. G. McCarthy's private Bill incorporating the Grand Trunk Pacific Company also passed both Houses and became law.

Estimated Cost of the Project

There was an infinite variety of calculation, speculation and estimate as to the cost of the proposed railway. The Montreal *Gazette,* of July 4th, placed the immediate addition to the national debt at $30,000,000. The Toronto *Star* correspondent at Ottawa, on July 6th, placed the annual charge upon the country at $2,000,000 for 10 years. The *Mail and Empire* went into

an elaborate calculation on August 3rd, and estimated the total liabilities to be assumed at $114,880,000. The Toronto *News* on the following day placed the increase in the national debt at $75,740,000, and the subventions to the Company at $21,740,000. In the House of Commons the opinions expressed were even more varied. The Premier placed the liability incurred in building the Eastern Division, from Moncton to Winnipeg, at $13,000,000 —seven years of interest on the money used in construction. He did not go further into the subject in his opening speech. The Hon. Mr. Blair, on August 11th, made his calculation as follows:

Cost of the Winnipeg to Moncton Section	$65,000,000
Interest during construction	7,800,000
Ten years' free rental	19,500,000
One-half per cent. loss on interest during term of contract	18,500,000
Interest guaranteed and to be paid on Mountain Section	4,050,000
Guarantee on Prairie Section	9,750,000
Guarantee on Mountain Section	13,500,000
Interest on Prairie Section during half period of construction	750,000
Total	$138,850,000

Mr. John Charlton, on August 12th, placed the cost of the Moncton-Winnipeg line at $54,690,000, and the guarantee upon the Western Division at $13,500,000, or a total of $68,190,000. The interest on this at 3 per cent. for seven years would be $14,000,000, or just about the amount of the Premier's calculation of actual cost of the country. The Hon. Mr. Fielding estimated the interest on the Eastern and Western Divisions and the Quebec Bridge, in minute calculations, at $11,512,325, or less than Sir Wilfrid Laurier's figures. The Hon. Mr. Haggart contended, on August 13th, that surely the money expended on construction by the Government was a liability, and he placed the total, with interest, at $125,000,000.

Sir Richard Cartwright put the matter as follows, on August 25th: "I say this, that if the plan we have laid down be carried out, if the Grand Trunk fulfil the stipulations we have made with them, it will be found that the statement made by the Premier is literally correct, and that we shall not require to spend on this road more than an interest payment of about $2,000,000 a year for a period of seven years. It is quite true that for another period of three years, on certain portions of the line, the interest may be capitalized. But on that interest so capitalized we shall draw interest. Therefore, the Premier was undoubtedly correct in saying that, if the bargain be implemented—and we have taken all reasonable security that it will be implemented—we shall have this result, we shall have a road of 3,500 miles available for the people of Canada, and in large part owned by the people, for a total expenditure of about $14,000,000." Mr. James Clancy, on the same day, went into details, and estimated the capital expendi-

ture on the project at $83,000,000, and the interest expenditure in 10 years at another $30,000,000. Mr. W. J. Roche, on August 26th, placed the total liability at $95,040,000.

Meanwhile, Mr. E. B. Osler, on August 20th, had figured up the cost of the Government, or Eastern Division, at $280,000,000 within the next 25 years, or of $560,000,000 at the end of the period during which the Grand Trunk Pacific was to operate the road. Mr. R. A. Pringle, on August 31st, summed up the total at $112,360,381. Mr. N. Boyd, three days before, had placed the cost of construction and interest charges at a total of $174,110,410. Mr. R. L. Borden's estimate (Sept. 29th) was $106,389,725, and for his own project, $47,465,000. On the other hand, Sir William Mulock, on August 26th, had given the following figures regarding the cost of Mr. Borden's plan:

Montreal to Coteau	$ 1,110,000
Coteau to Georgian Bay	15,000,000
Depot Harbour to Sudbury	3,600,000
North Bay to Fort William	38,040,000
Fort William to Winnipeg :—	
By Canadian Pacific	15,638,549
By Canadian Northern	10,625,000
Winnipeg to Edmonton	13,000,000
Edmonton to the Pacific	30,000,000
	$127,013,549

Popular Discussion and Progress of the Project

From the beginning of the year the Grand Trunk Pacific project had been a topic of wide popular discussion. Mr. C. M. Hays, it may be added, had made his initial announcement in the matter on November 24th, 1902. On January 2nd, the Winnipeg Board of Trade passed a Resolution welcoming the prospect of the Grand Trunk Pacific building into the West, but declared itself, owing to lack of information, as "not now in a position to express an opinion as to the advisibility, or otherwise, of granting aid to the projected line or lines." Interviewed at St. Paul, Minn., on January 18th, by the Toronto *World,* Mr. James J. Hill, the veteran United States railway man, expressed himself very clearly about the project. He stated that in these days "a railway which requires a Government subsidy to build is not required by the country;" that a section needing transportation can usually get the capital for the construction of railways; that "in my judgment another railway across Canada will not pay as the business is not there;" that Canada now had practically two trans-continental lines for 5,000,000 people, while the United States had one for each 14,000,000.

In the Toronto *Star* of two days later appeared an interview with Mr. C. M. Hays in reply to these statements. He intimated that Mr. Hill's real objection to the project was his alleged alliance with the Canadian Northern Railway, and his plans for extending branch lines across the border. To the same paper on

January 21st, Mr. Hays stated that "the building of the new line to the Pacific Coast will go through whether there is any subsidy or not." But he expected some reasonable assistance from the Government. Upon this point Sir Thomas Shaughnessy, of the Canadian Pacific Railway, told the *World,* of January 24th, that it would be "unfair to existing agencies in North-West Canada" for the Government to do anything of the kind.

> In effect, the Government is asked to become a competitor of the pioneer companies which have struggled for years with unprofitable ventures. Now, these investments have reached a stage where they can be realized upon, and a Syndicate comes forward and requests the Government to enter into partnership with them to divide the business developed by others, after many years of attention and risk of capital. In principle, I am opposed to the policy of government subsidies. It is demoralizing and unbusiness-like. If the projectors of the Grand Trunk Pacific desire to construct their line, it should be essentially a private investment. Of course, it will not be a profitable undertaking in the beginning, but it will pay in time. They will have to open up the country and develop business, as have their competitors. There must be a limit to the policy of the use of Government funds for the promotion of private enterprises. At the same time, if the Government grants aid to the Grand Trunk Pacific, the Canadian Pacific Railway will expect similar subsidies for the branch lines it has under construction and in contemplation."

Interviewed at Montreal, on February 2nd, by the Toronto *Star,* Colonel Prior, Premier of British Columbia, said that he had conferred with Sir Wilfrid Laurier and the promoters of the Canadian Northern and Grand Trunk Pacific Company, and was prepared to state that the Government of British Columbia "will be willing to give a large land grant to any Company that will build through to the coast." On February 19th, the St. John Board of Trade unanimously passed a Resolution declaring in favour of the extension of the Intercolonial to the Pacific Coast; expressing the belief that Western conditions would soon warrant the Government in building such a road as a public work; demanding distinct provisions in the case of any trans-continental line for its extension through the Maritime Provinces, and for rigid guarantees as to all-the-year Canadian seaports; objecting to any further grants of money or lands to such a road.

Speaking to the Toronto *World,* on February 23rd, Mr. G. H. V. Bulyea, Commissioner of Public Works in the Territories, declared that the proposed scheme ran too far north to relieve the present congestion of traffic. He objected most strongly to any land grants being given. "Our land is very valuable to-day. There is now no land in the Territories that will not sell for $5.00 an acre." On April 4th, the Stratford Board of Trade resolved that, in view of the great extent of country which would be opened up and the magnitude of the new enterprise, a "reasonable subsidy" should be granted the Company. Late in April, Sir Charles Rivers Wilson, President of the Grand Trunk Railway, accompanied by Sir William Young and Mr. A. W. Smithers, Directors of the same road, arrived in Canada to watch the legislation

which it was expected the Government or Parliament would put through.

On May 7th, Sir Charles and Mr. Hays appeared before the Railway Committee of the House of Commons in connection with the incorporation of the Grand Trunk Pacific Company. Five Ministers were present, and leading representatives of the great railways of Canada. The President of the Grand Trunk addressed the Committee; explained the Western demand for more railway facilities, and spoke of the strength of his corporation and its capacity to give this relief; expressed surprise and regret at there being any opposition to the project; and declared himself in a position to "give the most emphatic assurance on the part of my 40,000 shareholders that it is our intention to carry this project through." In answer to various inquiries, Sir Charles stated that his Company expected Government assistance; that they did not intend to make Portland their winter terminus; that the measure was introduced "upon the responsibility and under the sponsorship of the Grand Trunk Railway;" that it was their intention "to give a preference" to Canadian ports in the carrying of all freight emanating from Canada. Mr. C. M. Hays, in following, made this statement: "I say it is going to be an all-Canadian route, and the Canadian ports are going to have the preference on everything which originates in that part of the line."

Speaking to the Montreal *Herald,* on May 6th, Premier Roblin, of Manitoba, stated that there was now so much business being done in his Province that "any Company which constructs a line will be able to secure without the slightest difficulty sufficient business to guarantee good profits." They would not, therefore, give any cash or land to the new project. In the New Brunswick Legislature, on May 8th, a Resolution moved by Messrs. George Robertson and Douglas Hazen was unanimously passed, pointing out that in the Incorporation Act of the Grand Trunk Pacific, Quebec was mentioned as the summer terminus, but that no reference was made to the Eastern winter terminus of the Line; declaring that the interests of the Maritime Provinces and the Dominion generally imperatively demanded an all-Canadian route in both seasons; and urging that the charter should make this condition plain and binding. In the Committee of the Commons, the Maritime members took this ground very strongly and, to the Halifax *Chronicle,* of May 9th, Mr. George S. Campbell expressed grave doubt as to the value of the promised verbal preference to Canadian ports. "The General Manager will do exactly what is in the interests of his own road. That is what he is paid for. It is not to be supposed that the Grand Trunk are going to hand over their traffic to the Intercolonial at Montreal or Quebec, at the expense of their own line to Portland."

Upon this point the St. John City Council adopted vigorous Resolutions on May 13th, and on the same day, President Jarvis,

of the local Board of Trade, received the following telegram from the Hon. Mr. Blair, Minister of Railways: "I believe that in case the Government gives financial assistance to the Grand Trunk Pacific the Company will either be obliged to enter into a satisfactory traffic arrangement, binding itself to hand over at Quebec its ocean winter traffic to the Intercolonial, or build a line through to a Maritime port. I have been doing everything possible to bring this about." To Mr. Blair, on May 19th, the same City Council and the Board of Trade sent a joint telegram declaring that any Grand Trunk project such as was now proposed, without a direct line to the Maritime Provinces, would continue the diversion of Canadian freight to United States ports. Five days later, the Halifax Board of Trade passed a Resolution urging that the new Line commence at Moncton and run to Quebec, and thence to the Coast, and expressing the belief that Canadian interests demanded the extension of the Intercolonial to the grain centres of the West.

To a gathering at Rosebank, Manitoba, on May 26th, the Hon. R. P. Roblin claimed that the Prairie Section of the road would be charged with a liability of $55,000 a mile, and that this would make it almost impossible to reduce rates at any future time. He welcomed the railway, but objected to any bonuses or land grants. Nothing more than a guarantee of bonds to the extent of $10,000 a mile should be given. Sir Charles Rivers-Wilson was in Winnipeg on May 27th, and gave an interview to the *Free Press*. By this time it was almost decided to build an Eastern extension of the road, and Sir Charles stated that their ocean ports would be Halifax and St. John; that the Western line would run through Winnipeg; that the Grand Trunk Pacific, while a separate corporation, would be "so intimately associated with the Grand Trunk as to be practically the same concern;" and that the new Line should be able to transport 60,000,000 bushels of wheat in a season from the West to the sea. On June 4th, the Incorporation Bill passed the Railway Committee—the most important change or addition being the extension from Quebec to Moncton.

Following these incidents and discussions came a prolonged series of interviews between the Government and the Grand Trunk officials. Rumours were plentiful as to the character of the aid which was to be given the project and the nature of the general arrangements which were pending. On June 23rd, the Toronto Board of Trade passed a Resolution urging the Government to construct a railway from Quebec to Winnipeg. According to interviews in the Toronto *News* of June 27th, this plan was favoured by Mayor Arbuthnot and Mr. J. H. Brock, of Winnipeg; opposed by Mayor Cochrane and Mr. A. J. Hodgson, of Montreal; favoured by Mr. W. J. Gage, Lieut.-Col. G. T. Denison, Mr. Edward Gurney, Mayor Urquhart, and many others in Toronto. Montreal feeling was not very favourable to the idea. The Hon. G. W. Stephens told the *News* on July 4th, that he would like to see the Government get out of, and stay out of, the

railway business. It was better in the hands of a Van Horne or a Hays or a Shaughnessy. He opposed subsidies as well as Government ownership. To the *Globe* of two days later, the Hon. G. W. Ross expressed his belief in the great value to Ontario of a trans-continental line which would open up the northern parts of the Province. It might also necessitate the extension of the Temiskaming Railway northwards so as to give the manufacturers of the Province the best and shortest connection with the great and growing markets of the West.

The Government organ in Toronto on July 10th, stated that a caucus of Ministerialist members had been held at Ottawa the day before, and a Grand Trunk Pacific scheme unanimously endorsed. On July 29th, the Moncton Board of Trade passed a Resolution in favour of a trans-continental line, running east and west to Canadian ports only. The *Globe* of August 1st had interviews with Messrs. Robert Reford, H. Montagu Allan and Alex. McFee, of Montreal, in favour of the project as finally enunciated by Sir Wilfrid Laurier in Parliament on July 30th. On August 4th, it was stated in despatches from Ottawa that the Hon. George A. Cox had declined the Presidency of the new Company, but had accepted a place on the Directorate, and that Mr. C. M. Hays would be the President. The Montreal Branch of the Canadian Manufacturers' Association, on August 7th, passed a Resolution asking the Government to make the following regulations in connection with the construction work on the new line:

> That all contractors who undertake to build parts of the Eastern Section shall be compelled to pay duty upon their imports. That in all importations of supplies the Government shall follow the usual procedure of the Minister in the Department by collecting the duties and giving the preference to the Canadian manufacturer when his price is the same or lower than that of the foreign articles with the duty and freight added.

In Winnipeg, at this time, a number of representative men expressed approval of the project to the *Free Press,* including Messrs. R. J. Whitla, J. H. Ashdown, D. W. Bole, W. E. Perdue, and James Fisher. Speaking in Toronto on August 12th, the Hon. R. P. Roblin expressed very different views. The West did not want any railways for which the country had to pay though it would welcome any individual enterprises. He favoured the extension of the Intercolonial to a port on Georgian Bay —as a Government road which would act as a regulator of rates to the other lines. The Government's project might result in making high rates permanent in a part of the West, and they were now 19 cents from Winnipeg to Montreal. More rolling stock and equipment for existing railways was what they chiefly needed.

At a Convention of the Manitoba Grain Growers' Association at Killarney, on August 8th, a Resolution was passed denouncing the enormous subsidies, heavy national liabilities, oppressive rates, over-capitalization, and other evils, which were said to have marked railway construction in Canada, and urging upon

the Government that "instead of entering into the proposed Grand Trunk Pacific deal they proceed to build, equip and operate, in the interests of the people, such lines of railways as the transportation requirements of the country may from time to time demand." To the Halifax *Chronicle,* of August 15th, Principal Gordon, of Queen's University, Kingston, gave a long interview on the subject of the West generally, and the new project especially. He considered that the prospects for traffic were good from Winnipeg to Edmonton, and probably in the Peace River country, but poor from thence to Port Simpson, as Northern British Columbia was not sufficiently developed.

On August 28th, the St. John Board of Trade met and discussed the project with a good deal of hostile feeling. A Resolution was eventually passed re-affirming those of the early part of the year, and adding that the Board will "sanction only a trans-continental railway, built and owned by the Government." On the same day the Executive of the Canadian Manufacturers' Association sent from Toronto a despatch to Sir Wilfrid Laurier as follows: "The Executive Council enters unanimous and emphatic protest against permission being granted for free importation of foreign materials to be used in building railways in Canada. Will support this principle with delegation if necessary." On this date the Victoria (B.C.) Board of Trade also passed, by a considerable majority, a Resolution "heartily endorsing" the projected railway, and urging the Provincial representatives to place no obstruction in its way. Senator Macdonald addressed the Board at length in opposition to the project.

In a long telegram to the President of the Board of Trade at Halifax, on August 31st, the Hon. W. S. Fielding replied to some of the objections which had been raised: "As to export traffic, we have provided that the rates *via* Halifax and St. John shall be as low as *via* American ports. We have the right to assume that where the rates are the same, Canadian shippers will give a preference to Canadian ports, but if any shipper, for reasons of his own, wishes to ship goods *via* the United States, he has an undoubted right to do so, and any legislation against that would be so unreasonable that I could not support it. The main contract and bill before Parliament contain all the provisions that can be reasonably asked in the interests of the Maritime Provinces."

A couple of days before this the British Columbia Cabinet had met and adopted a Minute, asking the Dominion Government to have the building of the Mountain Section of the new Line commenced at its Pacific terminus and requesting that no Asiatics be employed in the construction work. Replying to Premier Roblin's statement that there was no Western demand for the new railway a telegram was sent at this time to Mr. W. F. McCreary, M.P., at Ottawa, signed by a number of Winnipeg business men (mostly Liberals) declaring that public opinion, present freight congestion and prospective traffic, alike favoured the project. The

CHARLES MELVILLE HAYS

Vice-President and General Manager of the Grand Trunk Railway System.

annual meeting of the Ontario Conservative Association, in Toronto, on September 3rd, denounced the project as a "gigantic exploitation," an unjustifiable waste of public money; and as costing the country $121,000,000 and the loss of the $70,000,000 spent upon the Intercolonial. Mr. Borden's alternative scheme was at the same time endorsed. The Alberta (N.W.T.) Conservative Association denounced the Government proposals on September 1st.

Sir Sandford Fleming, the veteran Civil Engineer and authority on Western routes, was interviewed at Halifax by the Toronto *News* on September 10th. He dealt with his early recollections of transportation matters in the West, and then expressed himself as strongly in favour of the line from Quebec to Winnipeg, and thence across the prairies. "I must not be considered, however, as unqualifiedly in favour of the scheme precisely as propounded. (1) I do not think there is any urgency for a new railway from Quebec to Moncton. (2) I do not think there is any pressing need for the Mountain Section, that is, the section through the mountains to Port Simpson." He condemned Mr. Borden's plan as being "totally inadequate and useless for half the year. It could in no way be compared with an all-rail route." To the *Globe* of the same date, the Hon. T. Greenway, M.P.P., repudiated Mr. Roblin's declaration that the project was not approved in Manitoba.

Five days later, Sir Wilfrid Laurier presented to Parliament a blue-book containing various reports upon the country to be traversed by the new Line between Quebec and Winnipeg—indicative of the resources warranting settlement and railway connection with the East and West. On September 17th, a meeting at London of the Western Ontario Conservative Association passed a long Resolution reciting various objections to the proposal, and declaring it "an ill-considered and hasty scheme." Meanwhile, the Opposition had been obtaining signatures all over the country to petitions asking Parliament, in view of the assumed liability of $120,000,000, and the inadequate information and surveys now available, to defer action until the project, routes, etc., had been investigated by a Commission of experts and the taxpayers been given an opportunity of studying the results of such a Report upon the proposals. A very large number of these documents, signed by many thousands, were sent in and presented to Parliament, but the Liberals declared that they represented simply Conservative opinion, and that very many of the signatures were, in any case, duplications or forgeries. On October 21st, Mr. C. M. Hays, told the press that preliminary surveys were being vigorously prosecuted.

Speaking at Quebec, on November 11th, the Hon. Mr. Fitzpatrick, Minister of Justice, traced the evolution of the present plan. The Government had before them early in the year the Grand Trunk Pacific project, with its close connection with the

existing road, and the probability of its utilizing the Portland (U.S.) terminal facilities and still further directing trade out of Canadian channels. They had also the Trans-Canada project to consider, and its laudable ambition of developing Quebec first; together with a very general Western demand for more facilities and a Maritime Province demand for the utilizing of Canadian ports. He believed they had evolved a plan which would make the new line all-Canadian, conserve the interests of Canadian ports and terminals, build up the Northern parts of Quebec and Ontario, shorten the haul from Quebec to the Atlantic coast, make the Quebec Bridge part of a great railway system, and meet the Western demands for more transportation facilities. Meanwhile, rumours had been current as to the new Company not having been able to make the required deposit with the Government, and on December 18th, the following statement was officially made at Ottawa:

> The Grand Trunk Railway Company have deposited one million pounds of their guaranteed stock as security for the carrying out of the agreement entered into last Session between the Government and the Grand Trunk Pacific, subject to ratification of their shareholders at a general meeting. Inasmuch as the contract requires cash or Government securities for the deposit, legislation will be required to confirm the acceptance of the securities which have been deposited, though such securities are worth to-day more than par, and their value is unquestionable.

The Opposition press promptly took the line that this action implied the collapse of the whole project. At Montreal, on December 24th, Mr. C. M. Hays replied to this contention by announcing to the papers that he had just returned from England, where his arrangements had been satisfactory. "The Grand Trunk Pacific will certainly be built. The Grand Trunk never had any difficulty in raising money, and will not have any in carrying out the trans-continental project. The securities deposited with the Government are better than the cash equivalent. They were deposited because of convenience, not because of any failure to raise the money." There the matter rested at the close of the year. A word might be said as to the press. With very few exceptions it followed the party lead. Amongst the Liberal exceptions were the Forest *Free Press,* edited by Mr. H. J. Pettypiece, M.P.P., and the Montreal *Witness* The Ottawa *Journal* ter, and the comments of the latter were many and varied. The and the Toronto *News* both claimed to be independent in the mat- St. John *Telegraph* joined its leader, Mr. Blair, in vigorous denunciation of the project, but eventually (September 2nd) accepted it as a settled fact, and one which must be carried out.

The Redistribution of Parliamentary Seats

According to the terms of the British North America Act, the taking of the decennial Census (1901) involved an apparent necessity for changes in the representation of the Provinces in Parliament. The original and permanent basis was a fixed number of 65 for Quebec, and to Ontario, New Brunswick,

Nova Scotia, and, later on, to Prince Edward Island, Manitoba and British Columbia, the assignment of such a number of members as would bear the same proportion to the number of the population of each Province as the number 65 bore to the number of the population of Quebec. The representation of the Territories and the Yukon was not subject to the rules affecting Provinces of the Dominion. Where the Census might show any marked reduction in the population of a Province the paragraph in the British North America Act regarding readjustment was as follows: "The number of members for a Province shall not be reduced unless the proportion which the number of the population of the Province bore to the number of the aggregate population of Canada at the then last preceding readjustment of the number of members for the Province is ascertained at the then latest Census to be diminished by one-twentieth part or upwards."

On January 2nd, 1903, Mr. Fitzpatrick, Minister of Justice, issued a Memorandum, giving certain data regarding the subject, and estimating the new and necessary distribution of seats, as including 86 for Ontario, 65 for Quebec, 18 for Nova Scotia, 14 for New Brunswick, 10 for Manitoba, 7 for British Columbia, 4 for Prince Edward Island, 6 for the Territories, and 1 for the Yukon. These figures involved a reduction of the House from 214 to 211 members. From Ontario, Nova Scotia, New Brunswick and Prince Edward Island came various protests against the prospect of decreased representation, but it soon became obvious that the law was going to be carried out. The Conservative press of the Dominion had, meanwhile, not concealed its expectation of a gerrymander, or re-arrangement of the constituencies to suit the alleged partisan purposes of the Government. The Liberal press took the ground that there was no likelihood of the Government using their powers in order to effect such an object, though, if they did, the action could be justified in some measure by the Conservative precedent of 1882. On March 31st, the speculation of many months was settled by the Prime Minister presenting to Parliament a Bill which enacted as follows:

1. The House of Commons shall consist of 214 members, of whom 86 shall be elected for Ontario, 65 for Quebec, 18 for Nova Scotia, 13 for New Brunswick, 10 for Manitoba, 7 for British Columbia, 4 for Prince Edward Island, 10 for the North-West Territories, and 1 for the Yukon Territory.

2. The said Provinces and Territories respectively shall, for the purpose of the election of members to serve in the House of Commons, be divided into electoral districts and be represented as provided in the schedule to this Act.

3. Every town, village, township, parish or place lying within the territorial limits of any electoral district, and not specifically included in any other electoral district by the said schedule, shall be, and be taken to be, part of the electoral district in which it is so locally situated.

4. Wherever in the said schedule any word or expression is used to denote the name of any territorial division, such word or expression shall, unless the context otherwise requires, be construed as indicating such territorial division as it exists and is bounded at the date of passing of this Act.

5. This Act shall take effect only upon the dissolution of the present Parliament.

Under these terms Ontario was reduced from 92 to 86 representatives, Nova Scotia from 20 to 18, New Brunswick from 14 to 13, and Prince Edward Island from 5 to 4. The Yukon remained stationary with one member, as, of course, did Quebec with 65 members, while Manitoba was given an increase from 7 members to 10, British Columbia from 6 to 7, and the North-West Territories from 4 to 10. Quebec, being the pivot upon which these changes were made, the Premier, in his speech placed the unit of representation at 25,367. Sir Wilfrid Laurier went on to express the belief that there was no doubt as to the letter of the law requiring this redistribution, and referred briefly to those of 1872, 1882, and 1892, as in nearly every case involving some Provincial decrease in representation. In this part of the matter Parliament was not a free agent, but the instrument and creature of the law. In another respect it was very different. "So far, as I say, the powers of Parliament are limited, but in the creation of the constituencies which are to elect Members to this House, the powers of Parliament are unlimited; and those powers can be used either for good or evil, either for very much good or for very much evil." He proceeded to point out that the Liberal party had always resented as most unjust the re-arrangement of constituencies in 1882 and 1892; that the opportunity then and now afforded large openings for the taking of unfair advantage of opponents; that in 42 counties treated at the two former periods the popular vote in 1900 was 88,365 for the Liberal candidates and 86,392 for the Conservatives, while the Parliamentary returns were 25 Conservatives and 17 Liberals. He did not, however, propose to indulge in recrimination concerning the past, and merely gave these facts as a matter touching existing conditions. The evils of the past would be corrected, but there was no intention of "perpetuating a similar injustice" in the present.

What we have in view, and what we desire, is to introduce a fair measure that will give all the parties an equal measure of justice, freedom and responsibility. We have always maintained that the guiding principle in this Redistribution should be that the county boundaries should be preserved. And we lay down to-day as the basis of the redistribution, which we hold ought to be accepted and adopted on this occasion, the principle that the municipal representation of the country ought to be the basis of the Parliamentary representation. The position we take is that we should take the map of the municipal organization of the Dominion and make it the basis of the Parliamentary representation.

In the critical and difficult work of apportioning members to the variously populated counties and cities, he hoped to be aided in following the British practice, and especially the precedent of 1884. With this in view the details of the measure would be submitted to the Opposition, and discussed with them in Committee and, he trusted, would be settled by mutual agreement.

Mr. R. L. Borden replied by deprecating the argument as to preceding Redistributions as unfair and misleading and by inquiring what the legal officers of the Government thought concerning the constitutionality of reducing Provincial representation. Upon the procedure proposed by the Premier, and involving Opposition co-operation, he was very guarded. "Speaking off-hand, I may say that the proposal for a conference for the purpose of determining constituencies would impress one as having the merit of fairness, although we recognize that, by means of the Committee holding a majority from the other side of the House, fairness might not in the end be so real as suggested. However, I am bound to assume that the Premier means what he says, when he declares that the proposal is to make a fair Redistribution Bill."

The public comments upon the measure, and the Premier's proposals, were varied. The Toronto *News* (Ind.), of April 1st, declared that Sir Wilfrid Laurier had every opportunity and temptation and, perhaps, some excuse to show partisanship. "He has chosen to play fair. The decision of the Dominion Government is the most creditable action which Canadian politics have seen for a long time. It is to be earnestly hoped that it will prove an effective action. It is to be hoped that it will kill the gerrymander in Dominion politics." Six days later it earnestly urged the Opposition to accept the proposals and help work out an equitable and just system. A "sullen and critical attitude" would be very unsatisfactory. The Toronto *Mail and Empire,* of April 2nd, referred to the charges of Conservative gerrymandering, and stated that in the elections following the Redistribution of 1882 there were in 53 Conservative constituencies of Ontario 13,740 of a popular majority, or a majority of 259 to each member, while in 39 Liberal constituencies the popular majority was 9,561, or 248 for each member. The Premier's proposition sounded fair, but was it? The Census had not been a just one, or Ontario's representation would not have needed reduction. Sir Wilfrid Laurier's plan was not really British in its details; and he was declared to be relieving himself of responsibility by placing it upon the shoulders of a Committee.

On April 14th, the measure was discussed from the constitutional point of view. The contention that the four original Provinces of Confederation were exempt from any provision for decrease in their representatives was carefully threshed out. Mr. R. L. Borden contended that the point should be submitted to the Supreme Court and the Judicial Committee of the Privy Council. The Premier announced, in reply, that this would be done at once, so far as the former body was concerned. The Minister of Justice (Mr. Fitzpatrick) took the ground that all the Provinces of Canada were subject to the interpretation of the British North America Act, which the proposed legislation embodied, and declared that he was supported in this opinion by Mr. Christopher Robinson, K.C., of Toronto. Incidentally and

conditionally the Opposition Leader accepted the Premier's proposed joint Committee. He thought, however, that the parties should be equally represented.

The constitutional question was duly referred to the Supreme Court, and argued before that body, on April 20th, 21st, 22nd and 24th. Ontario was represented by Mr. Æmilius Irving, K.C.; New Brunswick, by Attorney-General Pugsley and Mr. G. W. Allen, K.C.; Nova Scotia, by Attorney-General Longley and Mr. E. M. Macdonald, M.P.P.; the Dominion, by the Minister of Justice and Mr. E. L. Newcombe, K.C.; Quebec, by L. J. Cannon, K.C. Mr. Irving was associated with the Maritime Province Counsel and Mr. Cannon with those of the Dominion. The Judges in the case were Chief Justice Sir Elzear Taschereau, and the Hon. Messrs. D. Girouard, David Mills, R. Sedgewick, J. D. Armour, and Sir Louis Davies. In answer to the question formally submitted as to whether "the aggregate population of Canada," in Sub-section 4, of Section 51, of the British North America Act, should be construed as referring to the population of the four original Provinces of Canada, or as meaning the whole population of the present or future Dominion, the Court reported to the Governor-General-in-Council that the words should be construed as meaning "the whole population of Canada, including that of Provinces which have been admitted to the Confederation subsequent to the passage of the British North America Act." This decision made the redistribution reduction apply legally to the four original Provinces.

On June 2nd and 8th, the Supreme Court, with the Chief Justice present, and the Hon. Messrs. Sedgewick, Girouard, Davies and Wallace Nesbitt, reviewed a similar case submitted on behalf of the Government of Prince Edward Island. Mr. A. B. Aylesworth, K.C., Attorney-General Peters, and Mr. E. B. Williams appeared for the Province, and Mr. E. L. Newcombe, K.C., for the Dominion. The argument, as in the other case, was voluminous, and the decision involved the same result—the legality and constitutional necessity of a reduction in representation under certain Census conditions.

Meanwhile, the question of Redistribution generally was being debated at length in the House of Commons. On April 14th, a Committee was appointed as proposed in the Premier's speech. It was composed of Messrs. C. S. Hyman (Chairman), the Hon. Mr. Fitzpatrick, Minister of Justice, the Hon. Mr. Sutherland, Minister of Public Works, and Mr. T. O. Davis, for the Government; with Mr. R. L. Borden, the Hon. J. G. Haggart, and Mr. F. D. Monk, K.C., for the Opposition. Many meetings were held between June 18th and July 23rd, and the most elaborate consideration given to the subject. Changes of the most varied character were decided upon, some with the unanimous approval of the Committee, others with the strong dissent of the Opposition members. Taken, as a whole, the redistribution of the seats in

the Maritime Provinces and the West was harmoniously arranged, although there were some exceptions; and there was not much controversy over Quebec. But in Ontario the element of discord found easier sway. On June 26th, Mr. Borden presented to the Committee an elaborate Resolution, embodying a proposed basis of procedure and rules for action.

The rules were not accepted, on the ground of not being worked out as to results, but agreement was come to upon the basic idea of municipal boundaries and—subject to possible objection in the House as to the number of Toronto's representation—the Committee proceeded upon the assumption that Toronto would have five members and that the unit of population for the rest of the Province would, therefore, be 24,381. This gave to counties of not less than 16,254 one member; those with 36,572, two members; those with 60,593, three members; and those with 85,333, four members. On July 23rd, the Committee reported to the House, though not unanimously, and on September 9th a general debate on their proposals took place in the Commons. Mr. F. D. Monk declared that the majority had systematically turned down the Conservative propositions in Committee, had refused Mr. Borden's rules of procedure, and had gerrymandered various constituencies—notably the Waterloos. Other Conservative speakers followed and agreed in claiming that political prejudices had interfered with the carrying out of Sir Wilfrid Laurier's promise, and that municipal or county boundaries had not really been followed.

Sir Wilfrid Laurier took the ground that the Committee had done its work satisfactorily, had been harmonious as to most of the Provinces, and in Ontario had been unanimous regarding 39 out of 86 ridings. Mr. Hyman defended the Committee and its proceedings at length, and pointed out that as to 214 constituencies its members had agreed in 165 instances, and only disagreed in 49. "In Prince Edward Island there were four agreements and no disagreements; in New Brunswick, 13 agreements and no disagreements; in Nova Scotia, 17 agreements and one disagreement; in Quebec, 65 agreements and no disagreements; in Manitoba, five agreements and five disagreements; in British Columbia, three agreements and four disagreements; in Ontario, 47 agreements and 39 disagreements; but the disagreements in Ontario related to only 16 counties." The measure was variously and vigorously discussed in the House and in Committee—the Prime Minister speaking upon it on September 16th—but it passed with the usual party majorities on September 25th, and on October 21st passed its third reading in the Senate.

Mr. Tarte and the Conservative Party

The interesting personality of the Hon. J. Israel Tarte, M.P., was very much in evidence during 1903. His exclusion from the Government did not appear to have diminished the measure of his publicity, or to have effected any change in his versatility and activity. So far as his political record during the year is con-

cerned it was that of a steady, though gradual affiliation with the Conservative party. It opened with the publication of certain correspondence which had passed between himself and local Liberal leaders in Montreal regarding the ownership and future position of the newspaper, *La Patrie*. From these letters, which became public on January 5th, it appeared that on the preceding 30th of December, Senator Beique, Senator Dandurand, Mr. Victor Geoffrion, M.P., and the Hon. Lomer Gouin, M.P.P., had written to Mr. Tarte that, in view of the changed policy of his paper, it had been decided at a meeting of the Liberal members of the Federal and Provincial Parliaments, from the District of Montreal (held on November 29th), to take immediate steps toward having a French-Liberal organ in Montreal. They, therefore, requested him and his son, Mr. L. J. Tarte, to hand over *La Patrie*, for a pecuniary consideration, to a Committee which would be appointed by Sir Wilfrid Laurier.

In reviewing the situation it was stated by these gentlemen that: "The paper having passed into our hands and having developed as an organ of the Liberal party, under its protection and with its aid, there had resulted a pact, at least implied, which should assure permanently to the party a paper working in perfect harmony with it. This just expectation not having eventuated, it becomes urgent to bring a remedy to the abnormal situation, which has already existed too long." In his reply, dated January 5th, Mr. Tarte stated that he was now simply "political director" of *La Patrie*, but without financial interest in it; that he intended to preserve his independence of pen and thought; that his paper had not changed its policy, but would continue to advocate a higher and more efficient tariff and energetic organization of the transportation system; that *La Patrie* had been originally started by a few friends who were not represented amongst those who now approached him on behalf of the Hon. Mr. Prefontaine; that although his paper had opposed that Minister in matters of municipal and political administration, it still hoped, by working for the fiscal and transportation platform outlined, "to remain in harmony with the majority of the Liberal party." In reply to this letter the Committee simply stated, on the same day, that they had nothing to say as to the paper being Mr. Tarte's personal organ, or as to the varied questions which he raised. Their object was "to ascertain if *La Patrie* would become in the future, as it was before your departure from the Cabinet, the organ of the Liberal party."

Following this correspondence came an editorial in *La Patrie*, on January 23rd, over Mr. Tarte's signature, which denounced Messrs. Prefontaine, Bernier, Beausoliel, and other local Liberals, for having opposed his original promotion to the Cabinet; declared that his paper owed nothing to party funds; and expressed in picturesque language his good wishes to the new organ which was to be founded by political subscriptions—"like other

papers I know have been founded, purchased, nourished, and gorged." On March 18th occurred the Ministerial explanation in the House of Commons as to Mr. Tarte's retirement. The latter, in following the Premier, reiterated his faith in a higher tariff, and declared that he had believed the policy he advocated to be in harmony with the general policy of the Government. In addressing the House, on April 21st, Mr. Tarte intimated that a seat in the Imperial House of Commons had been offered to him.

At the Montreal Debating Club banquet, on April 23rd, he declared that $25,000,000 was needed for their port, that the Government must supply it, and that he was going to fight for it. At the Galt Board of Trade banquet, on the following night, he reiterated strongly his tariff and transportation views,* and was followed by Messrs. W. F. Cockshutt, of Brantford, C. A. Birge, of Hamilton, and J. P. Murray, of Toronto. Early in May he was active in aiding Sir William Mulock and Mr. Prefontaine in settling the Longshoremen's strike and, on May 18th, wrote to the Ottawa *Citizen* a characteristic letter criticizing that paper's statement that he was challenging Sir Wilfrid Laurier to a personal contest in Quebec. "Surely you do not think that I am such a fool as to believe, or to have ever said, that I hold the Province of Quebec in the hollow of my hand. No public man has ever had such a great influence in our Province. Lafontaine, Dorion, Cartier, Chapleau, Mercier were powerful factors. Sir Wilfrid Laurier has a large influence; but, again, no public man ever had, or has to-day, absolute control in Quebec." He concluded by expressing his belief that the Government's fiscal policy did not meet the approval of the majority in that Province.

In *La Patrie,* on June 27th, Mr. Tarte deprecated the Finance Minister's refusal to revise the tariff, and pointed out that Mr. Fielding, "who is a very honest man," was for a long time at the head of a Province in which manufactures had very little development. Writing to his paper from the House of Commons, on July 22nd, Mr. Tarte expressed some interesting views regarding the public situation. He declared that the Premier's state of health would soon compel him to retire; that Sir William Mulock was ambitious to be the chief of the Liberal party; that Mr. Fielding had, however, the best chance. "He can legitimately aspire to the leadership of the Government of Canada under present circumstances." At Berthierville, P.Q., on August 30th, Mr. Tarte made the principal speech at a Conservative demonstration. He declared that during the Premier's absence in Europe, in 1902, he (the speaker) had been vilified by a group of papers controlled by his own colleagues, and that he still believed a majority of the Liberals to be in favour of his policy of higher protection against the United States, although, he alleged, Messrs. Sifton, Fielding and Fitzpatrick, in the Government of Canada, were as strongly imbued with the principles of Cobden as Sir R. Cartwright him-

* NOTE—See *The Canadian Annual Review* for 1902, pages 19-25.

self. He also expressed himself in favour of Mr. Chamberlain's policy and, incidentally, criticized the Hon. Mr. Parent, of Quebec, whose position of Provincial Premier, he said, the late holder of the office—Hon. F. G. Marchand—had desired should go to the present Senator Beique. Addresses were also given by Messrs. T. Chase Casgrain, M.P., Thomas Chapais, M.L.C., and P. E. Leblanc, M.P.P.

Meanwhile, the Toronto *News,* under the management of Mr. J. S. Willison, formerly Editor of the *Globe,* had been dealing severely with Mr. Tarte and his past political record, and criticizing the Opposition for the welcome which many Conservative papers were openly offering to his approaches toward their party. On September 3rd, Mr. Tarte wrote to *La Patrie*, from Ottawa, a most bitter personal denunciation of Mr. Willison. He declared him to have been "disloyal to the Liberal party and to Sir Wilfrid Laurier in the hour of peril," and denounced him for having taken the side of intolerance in the Jesuits' Estate question, the Mercier affair, and the South African War. He reiterated his views as to the Premier's health, and the consequent necessity to his party of an early general election. The *News* made no reply to the personal side of this attack, but on the following day * reviewed the one-time Conservative estimate of Mr. Tarte, and concluded as follows:

> Mr. Tarte is neither less nor more corrupt than he was in 1900. He is neither less nor more disloyal. The journals which then howled at him have not recanted. They have not apologized for blackening his character. Their silence must be taken as an avowal that they believe that he is as unscrupulous a politician as he ever was. Their only excuse, adopting their language, is that this corrupt, anti-British and dangerous politician is a high protectionist, and that they rejoice in his aid in the high protectionist propaganda.

On September 6th, Mr. Tarte addressed a large Conservative gathering at St. Anselme, in company with Messrs. T. Chase Casgrain and L. P. Pelletier. In the Toronto *Mail and Empire,* of September 12th, appeared a letter, written three days before, in which the ex-Minister declared that it was his right and duty to leave the Cabinet when he did; that he did not blame the Conservative party for attacking him in 1900, but only those who would not let him go up to Ontario to defend himself; that old issues should be discarded and the endeavour made to obtain "a more pronounced protective tariff." At a meeting in Portneuf, on September 13th, he challenged Sir Wilfrid Laurier to meet him on any platform in the Province of Quebec; declared that the policy of his paper had lost him the patronage of the Quebec Government; ascribed his retirement from the Dominion Government to the influence of Mr. Clifford Sifton; and stated that "not a Liberal now in public life" had contributed to the starting of *La Patrie.*

At La Prairie, on September 19th, some 6,000 people listened

* NOTE—Its issues of September 14th and 15th included very hostile editorials along this line.

to a debate, in which he was sandwiched in between his one-time allies, Messrs. D. Monet, M.P., and H. Bourassa, M.P. The late Minister was charged by Mr. Monet with having been given $30,000 by the Liberal party to start his paper, and the reply was that the money needed came from friends, and had all been paid back. Mr. Bourassa alluded several times to Mr. Chamberlain as "Mr. Tarte's Master." On September 28th, a meeting of Liberals in his constituency of St. Mary's, denounced Mr. Tarte as no longer representing them. Two days before this their member spoke at a Conservative demonstration in the same city, with Messrs. Chase Casgrain, T. Chapais, L. P. Pelletier, P. E. Leblanc, and others. He again accused Mr. Sifton of being responsible for his retirement from the Government. At Farnham, P.Q., on October 10th, he spoke at another Conservative meeting, together with Messrs. James Clancy, M.P., A. C. Bell, M.P., P. E. Leblanc, M.P., and the party organizers—L. P. Pelletier and M. F. Hackett.

On October 15th, Mr. Tarte was at Woodbridge, Ont., and addressed the crowd which had gathered at that well-known local Fair. He urged higher protection and cheaper transportation and eulogized Mr. Chamberlain. Like himself, the Colonial Secretary had retired from office. Canada should help out Mr. Chamberlain in his preference policy. On the same day in Montreal, *Le Canada* accused Mr. Tarte of receiving money from Mr. Hugh Graham, of the *Star,* for purposes of Conservative organization and a suit for criminal libel followed, while *La Presse* charged Mr. Graham with aiding Mr. Tarte to supersede Mr. F. D. Monk as the Conservative leader in Quebec. At Cornwall, on October 31st, Mr. Tarte addressed a large gathering, and traced at length the history of his tariff opinions. On November 10th, for the first time, he spoke from the same platform (Le Monument National, Montreal), with the Conservative leaders, Messrs. R. L. Borden and F. D. Monk, in a vigorous advocacy of protection. At Montreal, on November 27th, the Hon. Mr. Prefontaine attacked his antagonist with vigour. "The Premier was in England attending to the welfare of this country when, all of a sudden, a man to whom he had given bread, on receiving a certain telegram from Paris stating that Sir Wilfrid Laurier was in very bad health, started his campaign." The year closed in this respect with Mr. Tarte as an active and avowed ally of the Conservative party.

Tariff Delegations and the Government

On February 11th, representatives of eleven Canadian binder-twine and cordage factories waited upon the Ministers of Finance and Customs, and asked for the imposition of a duty upon binder-twine. It was stated that American manufacturers were now in control of the supply of raw material in the Philippines, and were enabled by United States legislation to obtain their Manilla fibre at three-eighths of a cent per pound less than Canadians. The competition was, therefore, ruinous in the latter's home market.

In his Budget speech, on April 16th, Mr. Fielding promised some measure of relief before the Session closed.

On February 10th, Messrs. Robert Munro, of Montreal, Frederic Nicholls and R. J. Younge, of Toronto, representing the Canadian Manufacturers' Association, had waited on the Government in a private interview with the Premier, Sir R. J. Cartwright, and Messrs. Fielding and Paterson. According to the Toronto *Globe's* despatch of the next day, "the deputation discussed in a general way the necessity of protection, and to their statements a patient hearing was accorded." It was a merely preliminary conference, however, to the large delegation of fifty leading manufacturers who were received by the Premier and the Ministers of Finance, Customs and Marine, on March 19th. Mr. Cyrus A. Birge, President of the Canadian Manufacturers' Association, headed the delegation, which included Mr. Jonathan Ellis, of Port Dover, representing the woollen industry; Messrs. F. H. Clergue and F. P. Jones, representing the steel interests; Mr. R. R. Stevenson, of Montreal, representing the cotton industry; Mr. R. J. Graham, of Belleville, the fruit canners and apple shippers; Senator McMillan, the cereal interest; Mr. E. B. Eddy, the woodenware and fibre industry; Mr. J. Kerr Osborne, agricultural implements; and various other gentlemen voicing different industrial interests.

A lengthy Memorandum expressing the views and requirements of the manufacturers was read. It pointed to the possibility of an early period of depression; the increasing danger and present evil of competitive United States manufactures in the Canadian market; the entry of many American goods which could be made in Canada; the unfair height of the United States tariff wall as compared with the Canadian. Mr. Birge told the Ministers that hard times had already commenced in Britain and Germany, and that there were signs of reaction in the United States, where increased exports and low prices might soon be expected. He offered, on behalf of the Association, to hand the Government certain tariff schedules which had been prepared, and which they would like to have incorporated in a revised tariff. They would be given in confidence. The Hon. Mr. Fielding at once objected to the word "confidence." He would only accept them for public record and use.

Various delegates spoke, and, finally, the Finance Minister in reply expressed his sense of the importance of the delegation and the interests represented. "If there was one thing he regretted it was that they had not been sufficiently specific in their statements. The manufacturers had been for eighteen months engaged in endeavouring to reconcile various interests, and had not yet completed their task. This showed that the framing of the tariff was not an easy matter. He and other members of the Government had received letters from individual manufacturers which expressed the fear that, as a result of this movement, duties

were going to be imposed which would be a burden to them. If the manufacturers could hand in their suggestions, they would be invaluable as showing the relations of one industry to another, but the views of the manufacturers here, as well as of those who were not represented, must be subject to public criticism."

A deputation from the market gardeners of Ontario and Quebec were received by Mr. Fielding and Sir William Mulock on March 17th. They were introduced by Messrs. A. Campbell, M.P., and F. D. Monk, M.P., and accompanied by Hon. J. Israel Tarte, M.P., and seven Conservative members of Parliament. It was urged by one of the speakers that everything the market gardeners used was protected, whilst everything they produced was without protection. A circular was presented to the Finance Minister, signed by the Market Gardeners' Protective Association of Ontario, enumerating the tariff proposals in this connection of an organization which was claimed to represent 1,200 proprietors and $3,000,000 of capital. They asked for 45 cents per bushel on peas, 3 cents per head on cabbages and cauliflowers, 25 cents per dozen on celery, 50 cents per bushel on beans (green), 20 cents per dozen on cucumbers (green), 40 cents per bushel of 56 lbs. on onions, 25 cents a bushel on potatoes, 5 cents per pound on tomatoes, 5 cents each on water and musk melons, 25 cents a bushel on spinach, 2 cents per pound on horse-radish, and 25 cents a bushel on various vegetables not otherwise enumerated, and green corn.

Mr. Campbell pointed out that United States duties upon Canadian beans were now 45 cents a bushel, upon peas 12½ cents per pound, upon cabbage 2 cents a head, upon onions 40 cents a bushel, upon peas 40 cents a bushel, upon potatoes 25 cents per bushel, and upon picked vegetables 40 per cent. He added that this was an industry capable of increase, incapable of combines and worthy of protection. Three days later the other side of the case was presented to Mr. Fielding in a letter signed by the wholesale fruit importers of Toronto and by many of the leading retailers. It claimed that the existing duties were altogether too high, and described the *ad valorem* rates on cucumbers, asparagus, strawberries, lettuce, celery and tomatoes—most of them running 25 per cent. The argument presented was as follows:

> A glance at the above few items shows the magnitude of the duties paid, which are almost prohibitive and swell the revenue to a very large extent, besides giving extra tonnage and haulage to our railroads. The persons that benefit by the handling of these goods number in the thousands. The importers, at a great risk of decay, decline in market, damage by frost, etc., bring these goods long distances, and give to the public, through our cold winter months, fruits and vegetables which would be impossible to obtain were we depending on our local gardeners to supply the same. Instead of hindrance to the business of local gardeners, it is an assistance to them as a demand has been created for the various lines, so when their goods arrive on the scene, the public are ready for them, and, in the absence of imported stock, pay higher prices than they otherwise would do as the first of our local arrivals are always poor in quality.

On March 25th, the farmers had their innings, when a deputation was received by the Premier and other members of the Government, and presented an elaborate Memorandum controverting the views and wishes of the recent manufacturers' delegation. They claimed to be united in opposition to any present increase in the tariff; alleged that such an increase would add to the cost of maintaining their families and carrying on the operation of their farms; declared the existing fiscal and other burdens quite heavy enough; instanced various cases where manufacturers had asked and obtained the right to import material free of duty, with the obvious inference that the consumer would have to pay the duty; pointed out that a substantial preference was thus given to one class over others in the community; and made the following specific statement as to their own position:

> The farmer is taxed not only on the particular kind of raw material mentioned, but on almost all other kinds of raw material used by him. He cannot import a fanning-mill, a grain-crusher, or a windmill from the United States without paying a duty of 25 per cent. on the same; his imported sewing machine is subject to a tax of 30 per cent.; his field-rollers are taxed 25 per cent., while his spades are taxed 35 per cent. His imported ready-made clothing is also taxed 30 per cent., while on $878,000 worth of oil imported last year the tax was $545,000.

More than this, farm labour was dear and very difficult to obtain; there was every reason to fear a decline in the demand for farm products from the country upon whose requirements depended the prosperity of the Canadian farmer—Great Britain; there was a strong movement developing in the United States in favour of Reciprocity, and freer trade between the two countries would be much more beneficial than the adoption of a high tariff in Canada against the United States. For these reasons they protested against any increase in the tariff, and claimed to speak in this regard for the great majority of Canadian farmers. They also urged that no further subsidies be granted in any form to any private railway or corporation.

Tariff Policy and Discussions in Parliament

As usually happens in Canada the Budget debate of the Session evoked a wide and varied discussion of the tariff. In his speech on April 16th, the Hon. W. S. Fielding, Minister of Finance, dealt with the usual statistics of finance and trade; referred to the prosperous condition of the country as shown in various ways, and particularly in its increase of commerce from a total of $386,903,157 in 1901 to $423,910,441 in 1902; proclaimed the new Government policy toward Germany; and dealt with the Preferential tariff and British fiscal proposals or possibilities as well as with the Reciprocity movement in the United States. Upon the general situation he declared that "throughout this whole tariff question we have endeavoured to avoid extremes. The policy of the Government on the tariff has been a policy of moderation and stability." There were two sides to the question. "While there is a widespread, a universal sympathy for home

industries, still there is in all these matters a question of cost." He deprecated the idea of duties running up 50 or 70 per cent. On the other hand, "there are people who, relying upon the sound principles of free trade, sound enough in their proper place, are disposed to carry them to a point which takes no count of conditions."

"In such a country as this," he proceeded, "there must be conflicts of opinion and of interest in this connection. We hold that it is the duty of the Government not to yield to these extreme views on either side, but to endeavour to reconcile these views in the hope that we may bring about a common action which the whole country can accept—a compromise, if you care to call it such." He approved the manufacturers' idea of keeping the tariff out of politics, but asked how that could be done when they insisted on duties so high as to certainly antagonize great masses of the people—especially the population of the West to whom the power of control was so rapidly passing:

> The best way you can help the manufacturers of Canada is to fill up the prairie regions of Manitoba and the North-West with a prosperous and contented people, who will be consumers of the manufactured goods of the East. But if, through the adoption of an extreme policy of protection which they would regard as burdensome to themselves, you were to undertake to impose rates of duties so excessive as to challenge the hostility of these people, then I say there will be an antagonism between the East and the West, and the result will be unfavourable to the upbuilding of Canada. Let us rather hold out the hand of encouragement to these people who come in and open up new homes in that land; let us adopt a policy under which the expenses of living will not be excessive, under which, in fact, living shall be as cheap as possible.

Very few changes of a fiscal character were announced in the Budget, but those dealt with were important. Germany was treated with a retaliatory enactment of a surtax or increase of one-third on existing duties; steel rails were to be charged with a duty of $7.00 per ton, subject to Order-in-Council; machinery, etc., for beet-root sugar factories was continued on the free list; ships built in foreign countries and applying for Canadian register were made subject to a license fee only; gold machinery was admitted free for another year. "There may be a necessity," said Mr. Fielding, "at some early date to make further tariff changes than those which I now propose, but, if so, the extent to which these changes should be made, and the character of the changes, may be in a considerable degree dependent upon the attitude of certain other countries towards Canada."

After a long explanation of the difficulties with Germany, and the final decision to impose a surtax upon German goods, Mr. Fielding referred to the question of encouraging the steel rail industry at Sault Ste. Marie. The hesitation of the Government was due, he said, to doubt as to whether the mill at that place was in a position to supply either the quantity or quality of rails required by the Canadian railways. However, they were now asking power to impose such a duty whenever conditions were

deemed to warrant it. No duty would at present be imposed on lead, because such a policy would "necessitate a readjustment of other duties involving considerable increases which we are not prepared to entertain." Bounties were, however, promised. Legislation was also promised in aid of the Canadian binder-twine manufacturer.

Mr. R. L. Borden criticized the Minister strongly for not revising the tariff in the direction of more efficient protection, and dealt especially with United States competition. Since 1896, the import of forest products from the Republic (free) had increased from $2,054,423 to $4,038,772; that of animals and their produce (free and dutiable) had risen from $5,293,392 to $8,412,454; that of agricultural products had increased (free) from $2,672,-895 to $7,967,462 and (dutiable) from $8,045,580 to $11,544,-604; that of manufactures (free) from $8,354,635 to $25,532,-647 and (dutiable) from $19,742,117 to $46,885,102. In this period the total imports from the United States had increased $26,163,670, and from Great Britain, $8,614,489. He then gave a detailed list of these importations and proceeded as follows: "Is there any reason why a considerable portion of these articles might not be produced in Canada? Is it wise to delay a revision of our tariff, even under present conditions, if by a judicious and thorough revision we could produce or manufacture in Canada a very considerable portion of the articles to which I have called attention?" Why, he demanded, should Canada import the following:

Breadstuffs to the amount of	$11,731,268
Provisions and vegetables	2,981,109
Iron, steel and manufactures of	33,681,625
Woollen and cotton goods (not raw cotton)	20,938,719
Electrical apparatus	1,373,022
Hats, caps, leather and manufactures of	3,835,119
Agricultural implements	2,654,000
Paints and oils	2,181,426
	$79,376,288

The Opposition Leader then pictured the difficulties which Canada had to face in this connection. She lay for 4,000 miles alongside the greatest manufacturing and agricultural country in the world; she had a sparse population spread over an enormous area; she had to compete with a country which protected its population and home market of 80,000,000 people by an almost prohibitive tariff. When prosperity prevailed in the United States that country monopolized and provided for its own market. When hard times came it slaughtered its surplus products abroad, and Canada became the first and easiest victim of the process. This country needed industries as well as agriculture. Mr. Borden declared the Liberal party to be divided upon this question, and described the Hon. Messrs. Fielding, Paterson, Fisher, Sifton, Mulock, Bernier and Blair as having recently opposed

any increase in the tariff, while at Maisonneuve the Hon. Mr. Prefontaine had directly favoured this policy, as had Mr. A. Campbell, M.P., Mr. H. Guthrie, M.P., Mr. R. Holmes, M.P., Senator McMullen and other Liberals. He then outlined his own policy and views as follows:

1. To so arrange our tariff that all legitimate industries at present established in this country should be so protected as to insure, as far as possible, permanency under conditions of depression as well as in times of commercial expansion.
2. To invite capital and attract labour to the establishment of other industries which the resources and raw material of our country amply justify.
3. To preserve by means of an adequately protective tariff our own home market for our own people and to have the policy of the Government so declared and understood.
4. In framing our tariff to have regard solely to the interests of Canada which have been committed to our charge, although recognizing that in consulting our own interests we must not be unmindful of the tariffs raised against us by other countries.
5. To so frame our fiscal policy that labour in Canada shall be paid a fair living wage, remembering always that our labouring classes and therefore our producers and manufacturers cannot be expected to compete on even terms with countries in which the condition of life among the labouring classes is altogether different.
6. To utilize the labour of our own people in conversion of our own raw material into the finished products required for use in our own country.

In the debate which ensued various views were presented. Mr. J. Israel Tarte, on April 20th, spoke with characteristic vehemence: "We claim to-day to have a tariff for revenue, and the balance of trade during the last year has been against us. What is our tariff? Is it not a tax-gathering tariff? Is it not a stand-by tariff? Is it not a marking-time tariff? The tariff of this country is practically the same that was adopted in 1879." He claimed that the revision of 1897 had lowered the old tariff by 2 per cent., though "on many articles we raised the tariff in order to give an English preference." Under this tariff we exported last year to the United States $6,000,000 of manufactured goods, and the United States sent to this country $69,000,000 worth. He declared that during the last six months there had been $25,000,000 lost in the iron and steel industry—largely through lack of proper protection. He went on to say that the Liberal leaders before the elections in 1896 had assured the manufacturers of Montreal that the tariff would not be disturbed if they were given power, but would be changed in the right direction. This latter promise had not been kept, and he was now out of office as a result. The Canadian tariff should be as effective as the American; not necessarily as high, but built along the same lines.

Mr. T. O. Davis contended (April 23rd), on the other hand, that Canada was doing far better per capita in its trade under a low tariff than was the United States under its high tariff.

He believed the people in Canada to be content with their tariff. "We got reductions in certain lines, such as in woollen goods, that were beneficial to the people, and we are willing to accept the present status. But we do not want to have an increase in the tariff at this or any other time. That is the feeling of the people west of the Lakes." He went on to claim that a high tariff would increase the price of everything the farmer had to buy and correspondingly reduce the value of his land, and whatever he had to sell. On the following day, Mr. Frank Oliver, also from the West, took the same view and protested against any increase in the tariff. It was the manufacturers who were making the demand.

I decline to accept the proposition that a high tariff is the only method of protection, and I much more strongly deny the proposition that the manufacturing industry is the only one worthy of protective consideration. What proportion does the manufacturing industry of Canada bear to the other industries of Canada? If we take the exports of Canada we find that the mines export $16,000,000; the fisheries, $10,000,00; the forests, $21,000,000; agriculture $93,000,000; and manufactures, $18,000,000. We find that by the last Census the population of Canada was in the neighbourhood of 5,000,000, and the number of people actually employed in what are generally considered to be manufactures, amounted to about 100,000. Now, as a large number of those who are employed in manufactures are not adults, it would not be fair to give the usual count of five persons dependent upon each operative; but allowing four, it would appear that there were about 400,000 people out of our population of 5,000,000 who are directly interested in manufactures, or practically one individual as compared with nine individuals interested in the other industries of the country."

Dr. W. J. Roche, a Western Conservative, supported Mr. Borden's contention, and argued at length for more protection to the farmer. He gave a list of imports of animals, breadstuffs, fruits, provisions, seeds and vegetables amounting to $14,451,000, and asked why we should not have provided our own market with these articles. And then he gave the following table of comparative tariffs as illustrating the unfair competition Canadians had to suffer from:

Article.	American Tariff.	Canadian Tariff.
Wheat	25 cents a bush.	12 cents a bush.
Oats	15 cents a bush.	10 cents a bush.
Barley	30 cents a bush.	12 cents a bush.
Peas	40 cents a bush.	10 cents a bush.
Hay	$4 a ton.	$2 a ton.
Apples	75 cents a b'r'l.	40 cents a b'r'l.
Potatoes	25 cents a bush.	15 cents a bush.
Beans	45 cents a bush.	15 cents a bush.
Butter	6 cents a lb.	4 cents a lb.
Corn	15 cents a bush.	Free.
Wheat Flour	75 cents a bush.	60 cents a b'r'l.

After further and prolonged discussion, the vote took place on April 30th upon Mr. Borden's motion that: "This House,

regarding the operation of the present tariff as unsatisfactory, is of opinion that this country requires a declared policy of such adequate protection to its labour, agricultural products, manufactures and industries, as will at all times secure the Canadian market for Canadians; that the financial policy of the Government should include a measure for the thorough and judicious readjustment of the tariff at the present Session." The division was a party one, with 54 in support and 107 against.

On June 17th, the Hon. J. Israel Tarte moved a long Resolution of a fiscal character in the House. He commenced his speech by referring to the many deputations and urgent requests for revision of the tariff which had been recently received by the Government, and gave a list of many articles for which higher protection had been asked. He spoke at some length of the combined interests of the farmer and wage-earner, and claimed protection to be the true agricultural, as well as the best industrial, policy. In Great Britain free trade had almost destroyed agriculture, and he quoted the *American Economist,* of May 8th, 1903, as stating that in the unfavourable balance of trade alone the United Kingdom between 1853 and 1901 had lost $21,263,000,000. The general condition of its agriculture was so well known as to hardly need description. He then quoted a multitude of figures to illustrate the expansion of the United States in various directions between 1870 and 1900, and to prove the beneficial effects of protection. He compared the wages paid in New York, Chicago and St. Louis with those in London, Glasgow and Manchester—greatly to the credit of the former. Higher duties against the United States were the objects of his advocacy, and he believed Canadian feeling was favourable. His motion, which was rejected by 102 to 50, was, exclusive of a long preamble, as follows:

> It is the bounden and imperative duty of the Government to revise and readjust without delay the present tariff, in such a manner as to leave no doubt as to the determination of the Canadian people to adopt and maintain a fiscal policy, adequate, and firmly protective of the large national interests at stake. And also to carry out an energetic transportation policy which will give to our merchandise and products of all kinds, commodious, quick and cheap access to the markets of our country and to those of foreign nations trading with us.

The Organized Manufacturers and the Tariff

A prominent element in the public discussions of 1903 was the fiscal attitude of the Canadian Manufacturers' Association. How far its views may be taken as representing those of the people of the Dominion is, of course, a question beyond the scope of these pages, but as to the prominence of those opinions there can be no doubt and they have, therefore, to be adequately treated here. They were a central subject of discussion at the Montreal Congress, a frequent topic in the press and in Parliament, and a matter of interest to the fiscal controversy in Great Britain.

The first incident of the year in this connection was the banquet given in Brantford on February 19th by the manufacturers of that city to the members of the Association generally. Mr. C. H. Waterous presided and 250 representatives of various industrial centres were present. Amongst the speakers were Messrs. C. A. Birge, of Hamilton; G. E. Drummond and R. Munro, of Montreal, who spoke for Canadian industries; Mr. H. R. Timmerman, who dealt with transportation matters; and Mr. Thomas Brooks, who spoke for the agricultural interests. Mr. Birge declared that "it was desirable to adopt a tariff that would be acceptable to both political parties. Canada could not stand alone, and a policy should be adopted in Canadian interests regardless of Great Britain or the United States." Mr. Brooks, in championing the farmers, described them as having taken the manufacturers into their arms 20 years ago as infants, and then nursed them until they were great, big, stalwart men. "Is it possible that now, when you are able to stand alone, you are going to ask for an increase in the tariff? Your finished product is our raw material and, if the price is to be raised, to use a barn-yard phrase, we will kick like steers." At its annual meeting in Halifax, on June 27th, the Nova Scotia Branch of the Association re-affirmed the Resolution of the general annual meeting of 1902,* and urged continuous pressure upon the Government so "that the much-needed tariff changes be brought about."

A joint meeting of the Executive and Commercial Intelligence Committees of the Association was held in Toronto on March 2nd, and a series of Resolutions unanimously adopted for the consideration of the coming Congress of the Chambers of the Empire at Montreal. In these Resolutions Great Britain was asked to direct capital and emigration to the Colonies; approval was expressed of Colonial contributions to Imperial defence; Preferential tariffs within the Empire were advocated; Great Britain was asked not to make any treaties hampering or preventing Empire fiscal preferences; the establishment of fast steamship lines, the adoption of a decimal currency and the metric system, were supported; the appointment of Inter-colonial Commercial Consuls was proposed; an Imperial postal rate on parcels and printed matter as well as on letters was urged; a preference in all contracts for Imperial public works for British subjects was suggested; an Imperial Commission to investigate the resources of the Empire was proposed; a news service, free of foreign control, was urged; and the immediate annexation of northern American regions about whose ownership there might be any doubt was supported.

On March 19th, a Tariff Memorial was presented by the Canadian Manufacturers' Association to Sir Wilfrid Laurier and his Government. In this document the Association was stated to have a membership representing 1,218 factories and $400,000,-

* NOTE—See *The Canadian Annual Review* for 1902, pages 35-37.

000 of capital, to be absolutely non-political, and to be only anxious for a tariff and general policy which would be in the interest of manufacturer, farmer and workingman alike. The tariff should be kept out of politics, it was urged, but there should be "an immediate and general revision." Various arguments for higher protection were urged, and the Memorial then proceeded to point out that internal prosperity in the United States and the demands of the enormous home market had in the last few years prevented American manufacturers from competing severely in the Canadian market. Now that conditions were changing there the danger of dumping would be very great and the present tariff of the Dominion very insufficient. Only a careful and speedy revision of the tariff would avert serious depression and widespread ruin from Canadian industries. The document concluded with an appeal for action and for tariff revision, not only upon manufactured articles but in the interest of the farms and mines and fisheries.

At the banquet of the Montreal Branch of the Association on March 26th, following, Mr. George E. Drummond referred to this Memorial, and declared that under the present tariff "the United States is rapidly and surely absorbing our wealth and gaining such a foothold here that when the inevitable swing of the pendulum brings a time of depression it will curtail and hamper the further development of our industrial establishments if, indeed, it does not put many of them out of business." He advocated the "American plan" of efficient protection. "In adopting a tariff approximating to their own we simply adopt a policy that for 40 years was singularly successful in the United States." The results of such a policy, in his opinion, would be varied and valuable. They would include augmented revenues and ample funds for transportation enterprises; stimulate the establishment of manufacturing plants throughout the Dominion; render the Preference to British goods more effective; aid Canadian railways through an increased transportation of Canadian goods; increase the home market for Canadian farmers; and encourage the investment of American capital in Canada.

The annual meeting of the Canadian Manufacturers' Association commenced in Toronto on September 17th with an elaborate address by President Cyrus A. Birge. In it he embodied all the strongest argument for protection and all the facts which could indicate influence and growth and prosperity in the industrial situation. He claimed for themselves as representing 1,300 Canadian factories the position of Canada's "greatest commercial organization;" dealt with the prosperous condition of Canadian affairs generally; pointed out that the product of Toronto industries alone in 1902 had been $60,000,000, or more than the value of the grain production of the whole North-West; claimed that 40 per cent. of the total population of Canada was supported by the manufacturing industries; boasted of the world-

wide name of Canada's wheat and cheese and meats, the excellence of its agricultural machinery, woollen and cotton manufactures in many lines, wood manufactures, canned goods and musical instruments. He proclaimed the support of the Canadian manufacturers to the British Preferential tariff, although it had of late years aided greatly in increasing Canadian imports from Great Britain and had, incidentally, made "many branches of Canadian industry" suffer keenly from the competition of cheaper production. He denounced Reciprocity with the States, and declared that Canada was increasingly the dumping ground of American industries. The exported products of the Dominion, Mr. Birge divided into classes, which included meats and flour amongst the manufactured articles. According to this classification Canada exported in 1903 as follows:

Forest products, raw	$ 5,000,000	2·3 p.c.
Animals and their products, deducting cheese and meats	27,000,000	12·6 p.c.
Agricultural products	38,000,000	17·8 p.c.
Mining products	31,000,000	14·5 p.c.
Fisheries	12,000,000	3·6 p.c.
Manufactures, meats and flour, including cheese	101,000,000	47·2 p.c.

Turning to the immediate fiscal issue, he declared that the day had gone by when the Canadian manufacturer put his politics before business, and that both parties were practically agreed as to the principle of protection though there was a difference in degree. The policy could be clearly defined. "Let me say plainly that we do not desire a higher tariff on every item. We want a revision from a business standpoint. We want many items lowered, many items raised, and the obsolete construction of other clauses changed. It is not our desire to assert one interest in Canada as being above any other. On the contrary, we believe that all our industries should be protected, and we do not ask for the manufacturers what we do not claim for the farmer, the workingman, the miner, the fisherman and the lumberman."

Preceding this address, on the evening of the 16th, the delegates to the number of about 200 were welcomed to the city in a Reception at the Parliament Buildings and by a speech from the Provincial Premier. The Hon. Mr. Ross dealt with the mutual interests of agriculture and industry, declared that one could not thrive as well when the other was depressed, and pointed out that though agriculture was one of the great props of Canadian prosperity it was not the only one. If we were to continue sending our raw material out to be manufactured elsewhere, he believed that we would be "pumping the life-blood out of the country to vitalize the artisans of other countries." He pointed out that only 5 per cent. of Canadian industrial exports went to countries outside of Great Britain, and asked if there was not a foreign field to be cultivated as well as a home market. Mr. J. P. Murray,

Chairman of the Toronto Branch, presided, and spoke briefly, as did Mr. Alderman Oliver and the Hon. T. A. Brassey, ex-M.P., an English Imperialist. Mr. Murray suggested the future possibility of an Empire Manufacturers' Association, and Mr. Brassey asked frankly what Canadian manufacturers were going to offer in return for the Preference Mr. Chamberlain was tying to promote in Great Britain.

The speech of Mr. Birge on the succeeding morning—already dealt with—referred quite clearly to this subject. Following his address, and a speech from Mr. G. E. Drummond, came the Reports of various Committees and especially that submitted to the Convention on September 18th by Mr. W. K. McNaught, Chairman of the Tariff Committee. It expressed deep regret that the Government had taken no action as yet to aid the industries suffering under existing conditions; disapproved of the bounty system, except in very special cases, as being only a temporary stimulus; expressed satisfaction at the imposition of the German surtax and regret at the fact that German goods could still find entrance under the Canadian Preferential tariff; strongly opposed Reciprocity with the United States; and suggested the appointment by the Government of a permanent Tariff Commission of experts. The fiscal Resolution passed at the Halifax meeting in 1902 was re-affirmed unanimously by the Convention, as were motions embodying the clauses in the above Report. The following one may be given in full:

> That we recommend the Dominion Government to establish a permanent Tariff Commission of experts, who, under the direction of the Government, shall have constant supervision of tariff policy and changes, and shall follow closely the workings of the Canadian tariff with a view to making such recommendations to the Government as will best conserve and advance the interests of the Dominion.

Various other Resolutions were passed in the Convention, including one which urged the removal from circulation of foreign silver coinage; one suggesting the increase from 25 to 50 per cent. in the ratio of British labour employed upon goods coming in under the Preferential tariff; another asking the appointment of three expert Dominion appraisers to supervise the interpretation and operation of the tariff at the various ports of entry; one which requested a Dominion Insolvency Act, and another which regretted Canadian exclusion from the existing South African Customs Preference to the Empire; and one which referred to the "critical stage" reached by many Canadian woollen mills under the operation of the Preferential tariff and asked for an immediate change in this particular item. Mr. George E. Drummond, of Montreal, was elected President of the Association, and in the evening presided at a banquet in the King Edward Hotel, where speeches were delivered by His Honour Mr. Mortimer Clark, Mr. C. A. Birge, Sir William Mulock, the Hon. G. W. Ross, Premier of Ontario; the Hon. W. Paterson, Dominion Minister of Cus-

toms; Mr. W. K. George, the new First Vice-President of the Association; Messrs. R. Munro, of Montreal, and W. K. McNaught, of Toronto; Mayor Urquhart and, finally, the Hon. T. A. Brassey, of London.

In his speech, the Ontario Premier pointed out that Canada imported $20 worth of manufactures per head of its population, while the United States imported only $12.50 per head and Great Britain at the rate of $4.00. There should be no mystery, in his opinion, about a tariff. "The only true basis upon which any intelligent community can frame one is according to its own exigencies and natural conditions." He went on to say that Great Britain imported $500,000,000 worth of manufactures yearly while Canada only sent $18,000,000 to that market. There should be a score more commercial agents appointed by the Dominion Government. Mr. W. K. George made three points in his speech. One was that Canadians had, in his opinion, no intention of remaining satisfied with any restricted industrial development; another was that probably two-thirds of the population of Toronto were directly or indirectly dependent for their livelihood upon its industries; and the third was that Canada by earlier industrial encouragement might have kept in the country the 1,183,000 native-born Canadians now in the United States, and would thus have given the Canadian farmer an enormously increased home market for his productions—roughly speaking, $70,000,000 a year in value. Mr. T. A. Brassey repeated his statement of a previous evening. "Provided you in Canada are willing to realize you have grown from youth to manhood; providing you are willing to take upon your shoulders some share in the burdens of defending this Empire, it does not matter whether a factory is situated in Canada or in England." During the Convention an interesting incident was the sending of a congratulatory cable to Mr. Chamberlain.

Following this meeting a large party of manufacturers undertook a tour of the West. They left Toronto on September 19th, and were to visit Winnipeg, Brandon, Calgary, Rossland, Nelson, the Crow's Nest country, Vancouver and Victoria, returning so as to reach Toronto on October 10th. Interviews with the more prominent members of the party, recorded at different points of the tour, and upon their return, indicated the greatest admiration for Western development and a more confirmed conviction, if possible, in the protective faith. In this latter connection Mr. G. E. Drummond, on November 6th, told the Toronto *Globe* that "the Canadian market is at present overrun with drummers offering American pig-iron at slaughter prices." The duty on this iron was $2.50 a ton, or about 17½ per cent., and he declared that it should not be less than $3.50 a ton. The United States rate against Canadian pig-iron was $4.00 per ton. Under the Preference British pig-iron could come in at $1.67 per ton, or at 12½ per cent. The duties he claimed to be utterly inadequate and, as a

matter of fact, "American steel and iron products of all classes are now being offered to the trade at special cut prices for Canada —from 40 cents to 50 cents a hundred pounds less than the prices current at Pittsburg."

On November 20th the Toronto Branch of the Association held a banquet to commemorate the return of the tourists from the Coast. Higher protection was the keynote of the occasion, and the address of President Drummond, who occupied the chair, was the chief incident. A witty speech, however, was given by Mr. James Hedley, reviewing the trip, while Mr. Edward Gurney Mr. Lloyd Harris discussed the condition of some specific indus- dealt with the relations of the East and the West of Canada. tries and Mr. Noel Marshall dealt with mining in British Columbia. Mr. Drummond, in the course of his speech, went straight to the points which he wished to make. After asking why it was that so many immigrants for so many years had come to Canada, only to go on to the United States; why so many young Canadians were in the latter country instead of at home; and why we bought so many goods from the United States which might be made here; he credited the result to lack of adequate protection in a strong, definite form. Canadians had two great markets to protect, develop and exploit—1st, the home market, and 2nd, that of the Mother Country. "Our policy should have the double purpose of conserving, if possible, these two markets to the Canadian people. Our first duty was to our own local interests and, if labour was paid the same wages as in the United States, Canadian industries should have the same degree of protection." He believed in a substantial preference to Great Britain through the imposition of higher duties against Foreign countries and with or without a fiscal readjustment in the United Kingdom.

Any minimum tariff or preferential arrangement must, he said, afford a fair protection to Canadian industries and he intimated that in view of the coming general elections it was as well for all concerned to understand the views of the manufacturers as to the "absolutely necessary" fiscal policy for Canada. Upon the following day Mr. Drummond reiterated these opinions and presentation of the Association's policy in an interview in the *Globe*. The tariff must, he said, be high enough to protect Canadian industries against any future United States slaughtering process, and to enable the manufacture in Canada of the goods now purchased in the United States. In any general revision of the tariff there would be natural increases in some directions and reductions in others. In the Toronto *News* of November 20th, Mr. W. K. McNaught, Chairman of the Tariff Committee of the Association, endorsed Mr. Drummond's views as correctly expressing those of the whole organization. He took occasion to say that there was no intention of taking sides in politics or helping either party in the general elections, whenever they came. It

was proposed to use the fund of $50,000, which the Association possessed, in a protectionist propaganda, in educating Western sentiment and in appealing to the "Made in Canada" idea. In the elections they would endeavour to pledge every candidate to the cause of protection.

The organ of the Association, *Industrial Canada*, took up in its November number the charge of the Manitoba *Free Press* that this was practically a Conservative organization. After entering a vigorous denial and referring to the leading Liberals who had addressed their banquets it proceeded: "As regards protection the aim of the Association is to raise the question above the plane of partisan politics and make adequate protection the established policy of the country; no matter which party is in power. During the past year an effort has been made to educate the people on this question. The campaign was begun at the suggestion of Hon. W. S. Fielding, Minister of Finance in the Laurier Government. Replying to manufacturers who asked for a general increase in the tariff, Mr. Fielding said: 'Educate the people.'" In a carefully-reasoned article, on November 26th, the Toronto *News* deprecated the advocacy of an Imperial Preference by men, "many of whom uphold the idea that every dollar's worth that we import of a class of goods that is manufactured in this country is a national loss, and who are demanding frankly for home production a prohibitive tariff schedule." It contended that no general statement as to severe pressure from outside industries could at present be sustained—although an uncomfortable degree of competition might prevail in a few cases.

During the year, under the organizing efforts of Mr. Watson Griffin, of the Canadian Manufacturers' Association, a number of branches were formed in Ontario and the Maritime Provinces of "The Canadian Industrial League," with the avowed aim of "encouraging a spirit of national co-operation" amongst workers in the various industries of Canadian farms, forests, fisheries, factories, mines, railways and the mercantile and professional classes dependent upon them. "Made in Canada" was the watchword of the organization, and every member signed a declaration agreeing to support the principle of tariff protection in its widest application, the preferential use of Canadian ports, the improvement of transportation facilities, and pledging a personal preference in his purchases to articles of Canadian production. The first Ontario branch was formed in Brantford on March 28th, and another in Galt on April 3rd. The year ended in this general connection with the issue by the Canadian Manufacturers' Association, on December 18th, of the following official statement as to object and aims:

The Canadian Manufacturers' Association is absolutely non-political. It has declared itself during the past two years in favour of an early and thorough revision of the Canadian tariff. It has advocated such revision: (a) in order that manufacturing in Canada may keep pace with the

changed conditions and the needs of our market ; (b) in order that capital and labour in Canada may be properly protected from the specialized and heavily-protected industries of foreign countries, which use the Canadian market as their dumping ground ; (c) in order that Canada's resources may be developed and the Canadian industries built up ; (d) in order that the surplus requirements of the Canadian market may be supplied from British rather than Foreign sources.

The Tariff Discussion throughout Canada

Apart from Parliamentary and Manufacturers' meetings the fiscal discussions of the year in Canada were very general and widespread. The year opened in this respect with an address by the Hon. Mr. Sifton, Minister of the Interior, on January 13th, before the Young Liberal Club of Winnipeg. He pointed out that in revising the tariff in 1897 the Government had endeavoured to keep it as low as possible on staple articles of necessity, to reduce the duties on raw materials for the manufacturer, and to give as fair a British preference as was practicable. In connection with Mr. Tarte's agitation he had taken it upon himself to say that he and his supporters from the West would resist any attempt to raise the tariff. There was no popular desire for a radical change, in his opinion. He declared his wish to be perfectly frank upon this question.

Eastern Conservative papers accused him of being a rank free trader, while the Conservative papers of the West accused him of being in league with the manufacturers. He was not a doctrinaire upon the tariff. He believed the tariff should be changed to meet the exigencies of the times. He would have it raised at times on some articles, and lessened at times on others. If he saw a genuine Canadian industry suffering from too low a tariff, he would consider the raising of the duty to assist that industry. He would not favour the raising of the tariff or its retention at a high figure to assist manufacturers in taking an illegitimate profit from the consumer. He was, on principle, in favour of as low a tariff as possible.

Speaking at Amherst, N.S., on January 14th, Mr. R. L. Borden, the Opposition Leader, declared that "our raw materials are being bought by United States manufacturers, and Canada is buying back the manufactured products which should certainly be manufactured in Canada and upon which at present we are paying expensive duties. What Canada needs is adequate protection and a tariff which will keep within the country the money now going to swell the coffers of other lands." He demanded sufficient protection for all legitimate industries or "a fighting chance" for Canadian manufacturers, denounced the Preferential tariff as "a great humbug," and urged a Preferential system for the whole Empire. The Toronto *Globe* replied to this on January 16th by asking Mr. Borden to define what changes he proposed in the existing tariff, to say where there was any lack of protection, and to designate any duties which ought to be raised. It denounced his "tariff-tinkering" policy, and urged the principle of fiscal stability.

At Sydney, N.S., on January 21st, Mr. Borden was banqueted by local Conservatives, and once more proclaimed his policy as that

of "adequate protection," and made special reference to the recent action of the United States in removing its duty on bituminous coal. "We are not," he said, "in this country to follow every or any change in the tariff of the United States. We are to establish and maintain that tariff which is best calculated to preserve and develop Canada's industries, and thus to insure the welfare of our own people. Is it to the advantage of the great coal industry of Canada that the duty should be removed?" He did not apparently think it would prove so. Meanwhile, the Hon. Clifford Sifton, Minister of the Interior, had been addressing a gathering at Brandon, Manitoba, on January 15th. In opening the meeting, Mr. F. C. Morris, M.P.P., stated (according to the *Western Sun* of January 22nd) that "this Province, being an agricultural one, was naturally anxious to get a low tariff, and with that end in view Mr. Sifton had taken a seat in the Cabinet." The Minister in his speech declared that he adhered to his former principles of a low tariff policy. "He would never encourage the keeping out of foreign goods. While a certain amount of protection was necessary, he believed in reducing the duty on staple articles and the tariff on raw materials." The Government would keep the tariff as low as possible, and he, personally, believed in the principle of "Canada for all the Canadians and not for a few." If the demand for an increase of the tariff had been made for the purposes of the manufacturers, "it would be in the interest of the consumer for the Government to resist it."

At Collingwood, Ont., on January 19th, Sir William Mulock was banqueted by the Board of Trade in honour of his 60th birthday. The occasion was marked by some interesting political and fiscal references in the Postmaster-General's speech. After dealing with the local ship-building industry and the importance of its development and judicious encouragement, he pointed out that the Government were not in favour of a high protective tariff. They did not believe in a tariff which destroyed the purchasing power of the great masses of the public. He deprecated the introduction of the tariff into politics, declared that for five years it had been kept out of that condition, expressed the belief that no tariff as a finality could be deemed perfect, and hinted at a coming Government Report to Parliament dealing with the fiscal situation:

> The tariff must be changed to meet changed conditions, but instability in tariff was a bad thing. A manufacturer of the other shade of politics had told him he did not wish a condition of things under which he might wake up some morning to find himself a beggar or a millionaire. The Government had revised the tariff with a view to a degree of permaneney. There were defects in it, and they were pointed out to them, but they at least gave the manufacturer something to rely upon for a reasonable time. In due time the Government would be called upon to revise the tariff again—not to lift it to a high prohibitive point which they did not think in the interests of the country.

Speaking at the annual banquet of the Market Gardeners' Protective Association at Toronto, on January 22nd, Mr. J. W. St. John,

M.P.P., urged the imposition of a specific Dominion duty on vegetables instead of the present *ad valorem* duty. The immediate result would be an increase in home production and decrease in price. "If the Dominion Government refused to give the gardeners the desired protection, the Provincial Government could secure the same result by imposing a prohibitive inspection charge on imported vegetables and small fruits." Mr. Archibald Campbell, M.P. (a Liberal), approved the proposal of increased protection for gardeners' products. "Under the present condition the United States gardeners are able to take the market away from the Canadian growers because of such advantages as climate, refrigerator cars and cheap Chinese labour."

On January 19th the Toronto *Globe* devoted an elaborate editorial to proving that United States public opinion was turning in favour of lower rather than higher duties; that protection was a great loss to the people through higher-priced articles; and that in Germany, especially, its effects had been most disastrous. "High prices, heavy taxation and low wages" were the conspicuous results there. "When the two countries which have gone to the greatest lengths in the restriction policy have had such an unfavourable experience, the one already turning back and the other approaching conditions which will force a retreat, it would be most unwise for Canada to yield to the short-sighted demands of a few interested advocates of extreme protection. Canada should not start out on a road which nations of greater experience are abandoning." At the annual meeting of the Montreal Board of Trade on January 27th, the President, Mr. Alexander McFee, urged the Government strongly, in view of the coning conditions in the United States, to amend the tariff so as to protect Canadian industries from the disturbing influence of that great competitor.

> Once let the tide turn in the United States and we shall be made a dumping ground for their surplus stocks at prices far below the first cost of production of the same goods in Canada. The result of this state of affairs will be that although our country will possess in itself all the elements of prosperity and steady growth, it will receive a punishment equal to that experienced by the Republic to the South of us, where speculation and unsafe business methods have gained such an ascendancy.

In the North Ontario election the tariff was a prominent subject of discussion. Mr. George D. Grant, the Liberal candidate, in his Address to the electors took the following ground: "An agitation is on foot for a return to a high protective policy, or 'adequate protection,' more euphoniously put. I beg to say to you, gentlemen, that I am utterly opposed to a high protective tariff. I believe that the existing tariff arrangements, whilst subject to revision for changing conditions, are well suited to Canada's needs and have been conducive to the great expansion of trade we have recently experienced. Furthermore, constant amendments of the tariff at the instance of this or that interest

are greatly to be deprecated. Tariff stability is most essential, and, if you honour me with your confidence, will find in me a supporter."

The day after Mr. Grant's victory (March 11th), Sir William Mulock told the Toronto *Star* correspondent that: "The overshadowing issue in the campaign was the tariff. North Ontario is essentially a rural district, the farming interest being paramount, and on every platform the tariff was the chief subject of discussion. The Liberal candidate and speakers took their stand in favour of a moderate revenue tariff, such as exists to-day, as against a high protective tariff, advocated on behalf of the Opposition candidate." It was, he believed, an emphatic condemnation of the high tariff policy. With this Mr. Foster did not agree, and in the *News* of March 17th indicated various other reasons for his defeat. Speaking at a Conservative banquet in Montreal, on January 29th, Mr. F. D. Monk, K.C., M.P., made the following vigorous refcrences to the fiscal policy and the making of Canada a manufacturing country:

> Do you wish to hold what you have or to hand it over to a foreign people? This is the whole question. Why are we inundated with goods of foreign manufacture when these same goods could be produced here? With a squarely national tariff industries would spring up on all sides, foreign capital would flow into the country, and it would be impossible to find hands to meet the increased demand. There is, in fact, no agent, no influence, no force, no power, that would so effectively unite the different elements and the different nationalities of Canada as a tariff created with the object of protecting our markets against the invasion of foreign goods, the sale of which enriches the manufacturers and labourers of a country having nothing in common with us.

An interesting discussion took place in the Young Liberal Club of Toronto on February 2nd over the fiscal proposals of two prominent members of the organization—Mr. W. E. Lincoln Hunter and Mr. N. W. Rowell, K.C. The former introduced a long Resolution, declaring that "the present tariff should be reasonably revised;" that all raw material which cannot be produced in Canada should be admitted free; that the duty on cotton manufactured goods should be considerably increased and a duty of $7.00 per ton imposed on all steel rails made outside of Canada; that all railways receiving bonuses from the Dominion or Provincial Government should be compelled to purchase their rails and engines within the country. An amendment, presented by Mr. Rowell, ultimately carried. It congratulated the Government upon the tariff revision of 1897 and the establishment of the Preference, but, while urging cheaper transportation East and West in order to help the manufacturer in his home market, deprecated any general increase in the tariff at the present time. It would tend (1) to unsettle and disturb the present prosperous business conditions; (2) to retard settlement of the new districts by increasing the burdens which the settlers would have to bear; (3) to hamper the development of the great natural industries

of the country ; (4) to facilitate the creation of trusts and monopolies.

On February 11th Mr. Damase Masson, President of La Chambre du Commerce, Montreal, placed himself on record as follows: "We need a protection which would allow us to use our incomparable water-powers and our immense forest wealth and to manufacture our wood into pulp, etc.; a protection necessary for the development of our mineral resources, a natural and obligatory protection. We wish to arm ourselves and to resist successfully the invasion which threatens us on all sides." An interesting debate upon fiscal conditions took place in the Manitoba Legislature on February 16th.

It was commenced by the Hon. Thomas Greenway denouncing Mr. Roblin for his protectionist views and declaring that the people of the Province would not submit to a protective tariff. "If there is to be any change in the tariff it must be in the direction of lowering the duties." He expressed the wish that people would be allowed to buy in the cheapest market and approved the idea of a revenue tariff. But he was strongly opposed to a protective tariff "for filling the coffers of wealthy manufacturers." To this the Hon. Mr. Roblin replied with a reiteration of his previous statement that Manitoba would support protection in the next Dominion election. As to his own views he was concise: "I do not think a higher compliment can be paid the United States than to copy their tariffs. They have built up a great nation with their policy of protection, and have made their country one of the industrial centres of the world."

In the Toronto *News* of February 21st there appeared a careful and candid review of the fiscal situation. The West was assumed to be favourable to lower rather than higher duties, while the Eastern Provinces were considered as, upon the whole, desiring more protection in certain directions and particularly against the United States. It was pointed out that even if the Canadian tariff were raised to the level of the American there would still be a discrimination against Canada caused by the greater specialization and wealth of United States industries and the lower freight rates in the Republic resulting from the greater volume of freight carried. The Fielding Tariff, as originally arranged, was eulogized and the belief expressed that a careful and sympathetic investigation of Canadian industries by a Government Commission might again prove the best way to precede a revision of the duties. If the East would consider transportation a national question the West would, no doubt, be willing to regard the tariff as one.

In *La Patrie* on March 4th, Mr. Tarte continued his campaign for higher duties in the following terms: "Tit for tat, an eye for an eye, is the policy in our opinion which fits us like a glove. Why should President Roosevelt's farmers sell their products here to the value of $25,000,000 or $30,000,000, while the Cana-

dian subjects of King Edward VII. are content to merely look over the high wall built on purpose to prevent them from crossing the frontier with their hay, their horses, their sheep, their butter, their potatoes, etc.?" At the meeting in Fernie of the Associated Boards of Trade of British Columbia, on March 19th, a Resolution was passed in favour of protecting the lead industry and on the following day the Toronto *Star* made this editorial contribution to the general discussion: "In short, the high protectionists have been working up a campaign for two years, and have taken it for granted that they could carry the Government with them when the time came. It is not so easy as they thought and the consumers of the country are glad to know it." On March 24th, the Liberal Council of Manitoba passed a series of Resolutions in view of the pending Provincial elections and amongst them one which dealt with the fiscal question as follows:

> The Liberal party in this Province is strongly in favour of the lowest possible tariff on imports and condemns the utterances of the present Premier favouring a repeal of the British Preference and a tariff based upon that of the United States; and reaffirms the principles laid down on this question at the Liberal Convention in December, 1901, as follows:
>
> This Convention feels confident that with due consideration for the varied productive industries of the country, the Government in so far as the just demands upon the revenue will permit, will continue to apply the principle of placing taxation upon the basis of a revenue tariff, having special regard to the development of the great agricultural resources of Western Canada and keeping in view the fact that lumber, woollen goods, agricultural implements and coal oil are articles of prime necessity to the Western farmer.

A review of this subject was given in the *Canadian Magazine* for April from the pen of Mr. J. S. Willison, Editor of the *News*. It expressed the same line of thought and argument as that already quoted from the latter organ of February 21st. At the Montreal banquet to Mr. Borden on April 23rd Mr. T. Chase Casgrain, K.C., M.P., expressed his opinion of the existing state of affairs: "What is to-day the net result of the fiscal policy of the Government? A tariff which cannot really be called a revenue tariff because it produces much more than the revenue strictly needed for the wants of the country, and which cannot, and is not intended to be called a protective tariff, because it lacks sufficient protection to some of our most important industries and interests." Speaking to the Manitoba *Free Press*, April 27th, the Hon. Mr. Greenway was emphatic as to the objection of the West to any higher protection. "The Western farmer requires a low tariff in order that he may buy farm implements and machinery at the lowest price. The farming community of Ontario is a unit with Western farmers on the point as every farming people naturally desires to buy in the cheapest market."

On May 8th, the Manitoba *Free Press* expressed its views succinctly in the following sentence: "We live by selling our products beyond the bounds of Canada; we see no objection to

reciprocate by taking goods in exchange for them." Significant perhaps in this general connection were some of the Reports of United States Consuls in Canada sent to their Government about this time. On June 20th, Mr. Foster, Consul-General at Halifax, wrote that "a large and increasing proportion of the agricultural implements used in Nova Scotia are manufactured in Canada. The tendency here is to manufacture more and more within the limits of the Dominion both by Canadian concerns and by branch factories of American producers." Three days later Mr. F. C. Denison wrote from Woodstock, N.B., that "there are fewer American-made implements sold here than was the case five years ago." On July 23rd, Mr. L. Edwin Dudley reported from Vancouver, B.C., that "an agency established here for such implements and articles as are named in the List furnished by the National Agricultural and Vehicle Manufacturers' Association, could open a very fair market in this Province." He mentioned various industrial products in which trade might be opened up.

Meanwhile, the Montreal *Star* was maintaining an active campaign for higher duties in order to "Build up Canada." At the head of its editorial columns, the following suggestion to the Government appeared from time to time: "Give the manufacturers, workingmen, and farmers of Canada the same kind of tariff as that which has made the United States the home of the most prosperous manufacturers, workingmen and farmers in the world." In its issue of July 4th, the Calgary *Herald* expressed surprise at the amount of United States goods coming into Manitoba, British Columbia and the North-West Territories. It gave the figures for 1901 as $7,961,533 (dutiable), and $3,229,082 (free), and for 1902 as $10,132,310 and $7,721,486 respectively. If imports into Eastern Canada for shipment to the West were included it was claimed that these totals would be trebled. At Macleod, N.W.T., on September 1st, the Alberta Conservative Association passed the following fiscal Resolution: "That we heartily endorse the tariff policy of R. L. Borden and the Conservative party, believing, as we do, that adequate protection will so build up home industries and large centres of population and so increase the home market for the agricultural products of the West, that in the near future the cost of manufactured articles will be materially reduced."

Some 200 Ontario farmers attended the Annual Convention in Toronto on September 8th of the Farmers' Association. In his address, President C. A. Mallory declared that the farmers' export of cheese was greater than that of all the manufacturers combined, while that of pork approached closely to the latter's boasted total. "Manufacturers are alive to their own interests and do not hesitate to subscribe largely to educate the farmers to submit to a greater tax upon themselves for the purpose of maintaining in luxury men who are ashamed to accept charity,

but under cover of a tariff device are willing to extort from consumers an undue price for their wares." The speaker did not like the principle of bounties even in the case of beet sugar. The money all went to the manufacturers. Protection in all forms was denounced as vicious and unnatural—fostering monopoly, destroying independence, and creating corruption.

Meanwhile, the troubles of the Consolidated Company at the Sault and the lesser difficulties of the Sydney concern had caused various comments (mainly Conservative) upon the alleged inadequacy of the existing bounties on iron and steel. The Toronto *Telegram* of September 22nd declared that no steel rails could be made in Canada until adequate protection against the United States was assured. The *Mail and Empire* of October 6th pointed to $12,388,840 worth of steel rail imports in 1898-1902 and to $127,392,858 worth of iron and steel imports in the same years, in this connection; though admitting that not all of these totals could have been manufactured in Canada. Turning again to the general situation the Manitoba *Free Press* of September 30th contained the following Western Liberal view of the existing tariff:

> The present high tariff was born of compromise. It is a good deal higher than many members of the Liberal party, in both the East and the West, expected it to be. The protected manufacturers were delighted in 1897 to think they had escaped so easily from the pruning knife of a tariff-reforming Government. The tariff-reformers were not delighted; but, after a good deal of heart-burning, they accepted the tariff as a compromise —as the best possible tariff that could be made at that time. With the new rate of duties struck and tariff stability assured, prosperity came to Canada.

A Labour view of the fiscal situation was given in the Report of the Legislative Committee of the Toronto District Labour Council issued to the press on October 1st. It deprecated the independent discussion of this question by the manufacturers and declared that it should have been a matter of common conference. It denounced the opposition of that organization to Reciprocity with their next-door neighbours and to "any abatement of the present enforced severance by means of the tariff" as being opposed to the teachings of Christ, and as being a declaration in favour of "a tariff of hostility, exclusion, and non-intercourse." It represented the existing tariff as discriminating against the poor and in favour of the rich, as admitting free the raw material for the manufacturer and as taxing the poor man's garments and boots. Conditions were summarized as follows:

> Through all the years the labourer has had to bear all the burdens of developing the country. In no single case has labour ever received the slightest assistance from the Government. It has been despoiled by speculation. It has had to pay an unjust tribute, always increasing, for the occupation of the land. It has had to supply immense subsidies and bonuses to various enterprises. It has had to pay the high tariff to enrich the employers, and in other ways it has had to supply immense fortunes to the special favourites of the law.

Like the Premier of Manitoba, Mr. F. W. G. Haultain, Premier of the Territories, also supported tariff revision during the year. Addressing a Conservative gathering at Calgary on October 7th, he advocated a tariff policy which might benefit the farmer, and give protection to the horse-raisers, the flax-growers, and the sugar beet growers of the West. At a meeting at Longueuil, P.Q., on October 24th, the Hon. M. E. Bernier, M.P., Minister of Inland Revenue, referred to the tariff in a very different way: "Twenty years ago they made you believe that protection was necessary. You got it and found it intolerable, and I speak for the great majority of the people when I say that I am in favour of a tariff for revenue purposes, that is to say, a tariff that will supply sufficient revenue to carry on the administration of the country."

A special and local subject in this connection was dealt with on the following day when Sir Charles Hibbert Tupper, M.P., of Vancouver, told the Montreal *Gazette* that the lumber dealers of British Columbia were feeling very greatly the lack of protection. "Dealers south of the border ship lumber into Canada and sell it at a lower price than they sell it on their own home markets, and at considerably less than Canadians sell for. They ship it in free of duty and thus have an advantage over Canadians who have to meet a tariff when they ship lumber into Uncle Sam's territory. The British Columbia dealers have repeatedly complained against this unfair condition, and have asked the Government to give them some protection so that they may be on a competitive basis with those who are now underselling them." Another special subject which was discussed from time to time in this general connection was that of the export of pulp-wood. The manufacturer's point of view was put by Mr. E. B. Eddy to the Winnipeg *Telegram,* on November 2nd, as follows:

> At the present time 60 per cent. of the paper made in the United States is manufactured from Canadian wood or pulp. If an export duty had been imposed this would have brought a tremendous revenue to Canada. At the present time Canada is exporting 1,000,000 cords of pulp-wood annually, which means 1,000,000 tons of pulp, or 250,000 tons of sulphite. The result is that Canadian forests are being depleted for the benefit of the United States and to the detriment of Canada. I have advocated a duty of $4.00 a cord on pulp-wood. This would mean the establishment of a large number of mills here. These mills would bring in from $3,000,000 to $5,000,000 per year. The country is full of water-powers from Quebec to the Lake of the Woods, each one of which would become of value for manufacturing purposes.

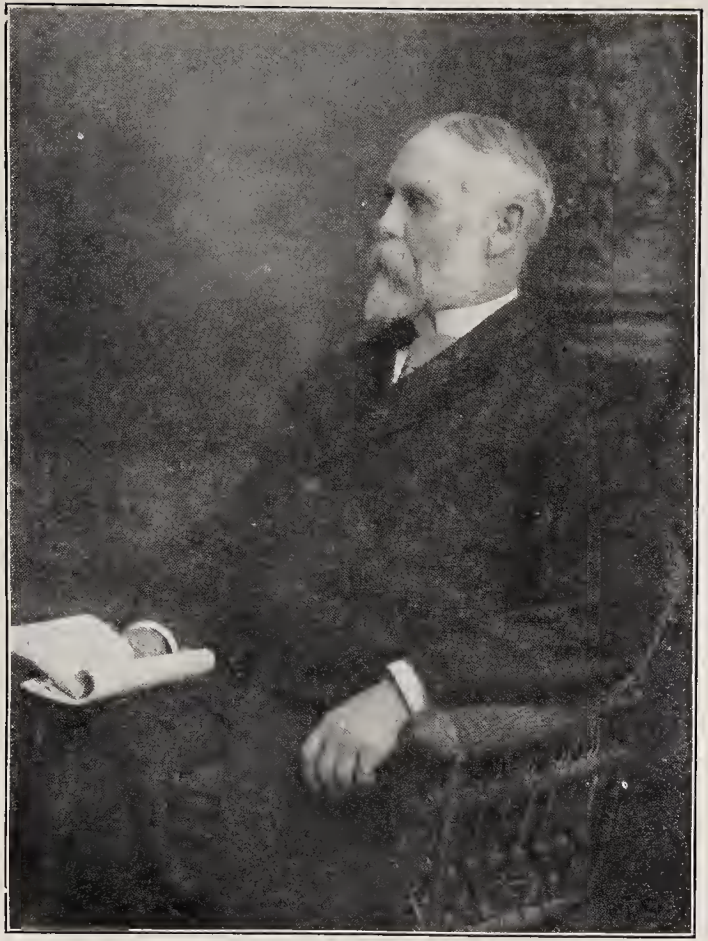
Speaking at a Conservative gathering in Montreal on November 10th, Mr. Tarte pointed out the difference between the high protective tariff of the United States and that of Canada. Before Confederation the tariff of Nova Scotia had been 10 per cent., that of New Brunswick 12½ per cent., and that of Prince Edward Island, 10 per cent. The Dominion had commenced with a 15 per cent. tariff. "The United States had been wise and had

from the first adopted a protective tariff with splendid results, while Canada had lagged behind." At Hamilton, on November 18th, the Hon. Dr. W. H. Montague made a strong protectionist speech. He deplored the condition of the woollen industry under the Preferential tariff and the fate of the Brantford Cutlery Works. The tariff should be dealt with apart from sentiment. Construct a sufficient tariff wall against the world and then get down to a quiet business interchange and preferential arrangement with the Motherland. "But I will never vote for any policy, Conservative or Liberal, that will adversely affect our home industries, and we must protect them against England or any other land." Amidst all this controversy the Toronto *Globe* stood firm to its principle of fiscal stability. On November 23rd it denounced vigorously any attempt to make the tariff a party question again.

> The present amount of protection, under which the manufacturers have prospered as never before in the history of the Dominion, cannot be given a general increase without sacrificing the stability that is essential to success. The farming and other interests, which are not, on account of their economic position, benefited by the protective tariff, will not stand any more, and they cannot reasonably be expected to do so. They are not complaining of the existing rate of protection, and are enjoying the advantage of stability. The Conservative party in its opportunism is prepared to take up any cry that promises temporary strength, and if the manufacturers are deluded into a party alliance and a crusade in favour of unreasonable protection it will be a serious misfortune to themselves as well as to the Dominion at large.

Still another phase of the question was suggested on November 25th, by the Resolution of a Fruit Growers' Convention held at Leamington, which asked for Government aid to the canning industry by an extension of the system applied to other industries under which they obtained their raw material at the lowest possible cost. To this end they demanded a repeal of the duties on sugar used in canning and on packages used for holding canned fruit. Speaking at Montreal on November 27th, the Hon. Mr. Prefontaine (according to the *Herald* report) made the following statement: "Then there is the Fielding tariff of 1896. It is attacked by the Opposition, it is attacked by traitors who yesterday were in the ranks of the Government. It is well to consider that tariff for a while, and if done it will be found that in many respects it answers the needs of the manufacturer, the workingman and the farmer. It was the result of mature consideration, and at the outset met with the approval of all, even of many of those who are opposing it at the present time." Some change might be necessary, but it would require time and careful consideration.

In a comprehensive letter to the *Globe* on December 4th, Mr. E. C. Drury, of Crown Hill, gave the following as being the Ontario farmers' view of the fiscal situation: "I believe I voice the feeling of my brother farmers when I say that we will submit



CYRUS A. BIRGE

President of the Canadian Manufacturers' Association, 1902-3.

GEORGE E. DRUMMOND

President of the Canadian Manufacturers' Association, 1903-4.

to no further increase in the tariff. If there is a change, it must be in the direction of lower duties. What is more, if Mr. Chamberlain's preferential scheme carries in England, and we are offered a preference in farm products in return for a real preference in manufactures, we will demand that that preference be given—not by a raising of present duties on foreign goods but by a lowering of them on British goods." At a meeting of the Associated Boards of Trade of British Columbia, held at Rossland on December 3rd, Resolutions were passed in favour of an import duty upon American rough lumber and thanking the Federal Government for their silver-lead bounty. President G. O. Buchanan in his opening address regretted that the latter arrangement had not been one of duties and referred as follows to the lumber question: "The admission of rough lumber from the United States into Canada free of duty, while our lumber is debarred from their market by a duty of $2.00 per 1,000 feet, is felt by our manufacturers. Because of the fact that a tariff affording moderate protection to all native industries seems to be permanently established as the trade policy of Canada, the attitude of our lumbermen's associations in asking for the imposition of a duty of $2.00 per 1,000 feet upon rough lumber coming into Canada seems justifiable."

During the debate on December 5th in the Nova Scotia Legislature regarding the iron and steel industry, prolonged references were made to the fiscal issue. Mr. C. E. Tanner, the Conservative Leader in the House, strongly advocated a higher tariff against the United States; Premier the Hon. G. H. Murray eulogized the Dominion Government for their aid to the iron and steel interests by a system of bounties; and Mr. E. M. Macdonald pointed to what the Liberal party had done for the Provincial coal industry. On December 12th, the Halifax *Chronicle*, a strong Liberal paper, and on supposedly close terms with the Minister of Finance, declared the Laurier Government to stand for all the protection which the public interests required, and to be willing to revise the tariff whenever it was shown that the country would benefit by so doing. "The Tory policy is adequate protection, which being interpreted, means the promise of whatever concessions may be necessary to class interests to secure their political support. The Liberal policy is sufficient protection, which signifies the broadly patriotic defence of every legitimate Canadian interest and right. To maintain and if possible increase this magnificent rate of progress is the aim of the Liberal party. To that end they will use every legitimate means which the tariff places in their hands. They are committed to no hard and fast tariff theories. Their first article of political faith is that the tariff is made for the country, and not the country for the tariff." Two days later, Mr. D. W. Bole, President of the Young Liberal Club, and the party candidate in Winnipeg for the next elections, summarized the Western Liberal view as follows:

Theoretically free trade appeals to the judgment of the great mass of the Liberal party, but as free trade is not universal, it is not practicable with us. A condition is created for us by the rest of the world, a condition I think, the present Government has met with even justice to all. In my humble opinion the present tariff is adjusted to the legitimate needs of the manufacturer, without unduly taxing the people. . . . The Canadian manufacturers who are pushing for greater protection are not acting in their own best interests. A fair average should be more satisfactory to them than spasmodic periods of inflation and depression. Legislation which tends to make mills and factories bigger than the consuming public, tends to uncertainty, distrust and disturbance all along the line. We should be thankful, therefore, that we have a Government which understands and appreciates the happy medium, and is able to withstand all kinds of pressure and influence, trusting rather to Canadian manhood and intelligence than to bolstering class legislation.

The opinions and incidents of the year in this respect may be closed with three citations. On December 21st, the Halton (Ont.) Reform Association passed a tariff Resolution which deprecated higher duties and proceeded: "We object to such increase of duties as will tend to injure the honest importer and introduce carelessness and want of economy in manufacture and further increase the inequality now existing in Dominion taxation." Four days previously the Selkirk (Man.) Liberals met and passed a long Resolution deprecating protection, approving the present policy and expressing the hope that in any future revision the Government would "continue to apply the principle of placing taxation upon the basis of a revenue tariff"—keeping especially in view the fact that lumber, woollen goods, agricultural implements and coal oil were articles of prime necessity to the Western farmer. In accepting his nomination as a Conservative candidate in Montreal, Ald. H. B. Ames put his views in a rather new form. He advocated the present schedule of customs duties being amended so as to establish for each article a minimum and maximum tariff rate, the minimum in all cases to be sufficient to adequately protect legitimate Canadian industries, and the difference between the minimum and maximum tariff to constitute a preference which might be accorded upon goods imported into Canada from Great Britain and from other parts of the Empire.

The Iron and Steel Industry and the Tariff

The financial ups and downs, or readjustments of the Dominion Iron and Steel Company at Sydney and the Consolidated Company at the Sault, during 1903, attracted special attention to this important industry. There were various allusions to its interests and their relation to the tariff in public speeches and in Parliament, but nothing of special import until, on April 16th, the Finance Minister in his Budget speech referred to the inception of the steel rail industry at Sault Ste. Marie and to the order which the Government had given the Clergue Company. and which was only partially filled. The Government had not been unwilling to consider the imposition of a duty in aid of this industry if conditions should prove favourable.

We have decided that while we would not be justified in imposing a duty now we may reasonably ask the House to agree to a duty to take effect when there are rail mills, either at Sault Ste. Marie or elsewhere, in a position to turn out rails of proper quality and in reasonable quantity. We therefore ask that power be given to the Governor-in-Council to impose by Order-in-Council a duty of $7.00 per ton on steel rails, provided, however, that such Order shall not be passed until the Government are satisfied that there are rail mills in Canada making the best quality of rails and in sufficient quantity to meet the reasonable demands of the market.

On June 9th, Mr. R. L. Borden moved a Resolution in the House dealing with this subject. He commenced his speech by describing the iron industry as the one which afforded most useful, varied and necessary materials to the development of any country, and as having received fiscal protection in its preliminary stages by every important nation. "Canada possesses, not in one place but in many places, all the materials which are necessary for the manufacture of iron and steel." For all the chief ends of industrial and business life in a community, iron and steel were vitally necessary—railways, steamships, building purposes, bridges, manufactures of all kinds, machinery, warehouses. In the three greatest industrial countries iron and steel production had made tremendous strides of recent years, and in all three (even in Great Britain before the free trade era) the industry had been aided by the State.

Yet in Canada, with all its natural resources and tentative efforts at encouraging this industry, they had made little progress, and in the fiscal year, 1902, they imported rails to the value of $2,953,230; wire rods, etc., worth $3,593,851; sheets of all kinds, tin plate, etc., valued at $3,385,208; bars, round, flat, etc., worth $2,549,669; and many other items, totalling altogether of the direct products of blast furnaces and rolling mills, $17,527,108 of imports; and of all iron and steel and manufactures thereof, $33,681,625, as against $10,203,052 in 1896. Mr. Borden then proceeded to explain, from his standpoint, the reason of Canadian failure to develop in this connection. The first reason was the proximity of the United States with its immense wealth, industrial skill and organization, and high, complicated, and effective tariff on iron and steel imports. He compared in tabular form the Canadian and American duties in this respect in order to prove that the former were very much lower.

The second reason, in his opinion, was that in 1897 the iron and steel tariff of Canada had been greatly reduced, and that the bounties given in 1899 were not sufficient to meet that reduction. He compared the duties of 1894 and 1897—from that of pig-iron, reduced from $4.00 to $2.50, through the list to steel bars, reduced from $10.00 to $7.00 per ton, and galvanized wire from 20 per cent. to free. "I, for my part, do not believe that the iron and steel industry in Canada can ever be put upon a solid basis, upon a permanent footing, unless we have something more than these bounties to give; unless we have an actual pro-

tection in Canada, such as will secure for our producers our own market." After quoting many products of iron and steel in the United States which, under protection, had greatly decreased in price during the past 30 years, and claiming the urgent need there was for help in Canada to this industry, and especially to such concerns as that of Sydney, Mr. Borden moved the following Resolution:

> This House is of opinion that the tariff of customs duties should give such protection to iron and steel industries as will not only secure to our own producers and manufacturers the Canadian market in articles now produced or manufactured in this country, but will also develop and sustain the manufacture in Canada of other iron and steel products which at present are imported in large quantities from other countries ; and that the present tariff of customs duties should be now readjusted on this principle.

Mr. Fielding followed in a brief speech without attempting an argument but with the simple statement that the Opposition Leader's speech and motion were inopportune; and the request that the latter should be treated as a vote of want of confidence. Messrs. A. C. Bell, A. S. Kendall, James Clancy, Tarte, H. Bourassa, C. B. Heyd and R. H. Pope followed, and the Resolution was rejected by a vote of 91 to 47. On July 8th, the Government's policy in this connection, as foreshadowed in Mr. Fielding's Budget speech, was made public in a detailed statement. The iron and steel bounties of 1897 were to be continued until 1907, with the following changes: For the year ending June 30th, 1904, they were to be 90 per cent. of the amount fixed in 1897; for the succeeding fiscal year they were to be 75 per cent.; for the next year, 55 per cent.; and for the year ending June 30th, 1907, they were to be 35 per cent. of the amount so fixed. It may be added that the bounties of 1897 included $3.00 per ton on steel, $3.00 per ton on pig-iron made from native ore, and $2.00 per ton on pig-iron made from imported ore.

Under subsequent legislation a sliding scale was adopted by which in 1902-3 the bounties would amount to 90 per cent. of the amount established in 1897. Practically, the above proposals simply suspended the sliding scale arrangement for one year, and thus gave 90 per cent. for two years instead of one. There was, however, to be an additional enactment and the Governor-in-Council was to be authorized to give certain specific bounties upon specified and leading articles, manufactured in Canada from steel produced in Canada from ingredients of which not less than 50 per cent. of the weight thereof consisted of pig-iron made in Canada, as follows:

> 1. On rolled, round wire rods not over three-eighths of an inch in diameter, when sold to wire manufacturers for use in making wire in their own factories in Canada a bounty of six dollars per ton ;
>
> 2. On rolled angles, tees, channels, beams, joists, girders, or bridge building, or structural rolled sections, and on other rolled shapes not round, oval, square or flat, weighing not less than thirty-five pounds per lineal

yard, and also on flat eye bar blanks, when sold for consumption in Canada, a bounty of three dollars per ton ;

3. On rolled plates not less than thirty inches in width and not less than one-quarter of an inch in thickness, when sold for consumption in Canada for manufacturing purposes for which such plates are usually required and not to include plates sheared into plates of less width, a bounty of three dollars per ton.

In presenting the Resolutions to Committee embodying these new arrangements Mr. Fielding said of the latter portion: "These things are not now made in Canada. They are consumed to a large extent and the manufacturers have been very desirous that we should so frame our legislation as to encourage the development of these lines of industry." He thought that this help would prove moderately satisfactory to the manufacturers and would enable industries "whose position was somewhat in question a short time ago" to continue operations and to also turn out other things than pig-iron and steel. The import of structural steel in 1902, he added, was $789,644, of plates $571,291, and of wire rods $1,523,729. These latter bounties were not to be for any specific period, as the Finance Minister preferred to have nothing in the nature of a contract involved or implied.

Mr. Borden in replying to these remarks described the proposals as a makeshift and temporary expedient; regretted that the Minister had not had the courage to at once revise the tariff; and declared it impossible to hold the home market by a mere system of bounties. Mr. Tarte expressed the opinion that if there had been a tariff of 35 per cent. in the past year on iron and steel, not only would the $1,000,000 paid in bounties have been saved, but, instead of importing $30,000,000 worth of these products, we would have made at least half of the total in Canada. Mr. Oliver, who proclaimed himself as speaking for the West, thought that if, with the present duties and the bounties, iron and steel manufactures could not succeed, then this was not the country for them. "It must then be the wrong country in which to enter into this industry, and it is better for the country at large, better for the manufacturing industry which depends on cheap iron, better for the agricultural industry which depends very largely on cheap iron, better for the transportation industry, both on land and water, which essentially depends on cheap iron; it is better for these industries and for the country at large that the iron required for these industries should be imported rather than be manufactured in Canada."

Cheap iron he considered as essential to the welfare and prosperity of Canada as was cheap food to the industries of England. He thought that the effect of putting no terminating date to the new bounties was practically making them permanent as it would be unfair to invested capital to remove them altogether. While not actually opposing the Resolutions he thought that the policy carried further, and to its logical conclusion, would be greatly

damaging to the country. Bounties, however, for the production of iron he approved as sound in principle.

Mr. A. C. Bell, a Conservative from Nova Scotia, regretted that such small aid had been given the Dominion Steel Company. The amount payable to them this year would not be more than $30,000. "That is, to be sure, a pretty large sum, but it is a comparatively small sum when you take into consideration the enormous capitalization of those works, their large plant, their enormous expenditure, and the fact that they have not yet succeeded in establishing a firm market for all their products, but are compelled from day to day to change their product from one form to another in order to secure a market for them. It is not a great concession, and I am sorry that the Government have not seen their way to go further and grant such a form of aid as would, beyond any reasonable doubt, extricate this business from the unfortunate position in which it apparently is." After other speeches the Resolutions were accepted, a Bill introduced, based upon them and eventually passed into law. The subject was discussed in the Senate on September 25th, when the Hon. J. V. Ellis objected to bounties on principle; the Hon. James McMullen approved them as against protective duties; the Hon. W. C. Edwards pointed out that under Germany's sugar bounties its people were paying for Britain's cheap sugar; and Sir Mackenzie Bowell urged higher duties rather than bounties.

Meanwhile, in reply to an inquiry in the Commons on September 17th, Sir R. J. Cartwright stated that between 1890 and 1903, $4,104,193 had been paid in bounties on iron and steel. Of this, pig-iron received $2,831,355; steel, $1,184,914; and puddled bars, $87,922. The Toronto *News,* during the latter part of the year, had a series of articles on Canadian industries. Dealing with the iron and steel interests on November 3rd, it had, incidentally, an interview with Mr. Robert Hobson, of the Hamilton Iron and Steel Company. "To-day," said that gentleman, "agents of the United States Steel Syndicate are offering steel and iron laid down in Canada, duty and freight paid, at cut prices in our home market, and below the actual cost of production in Canada." He cited one instance where Canadian firms had been offered steel at $3.25 per ton less than the ruling price in the United States.

As to policy Mr. Hobson was explicit: "We asked the Government for a specific duty of $10 per ton on manufactured steel and $3.50 per ton on pig-iron. The present duties are, respectively, $7.00 per ton and $2.50 per ton. The United States duty on pig-iron is $4.00 per ton. Given the protection we ask for, we can very largely increase our output, thereby doing business on a cheaper basis. Prices to the consumer would not be advanced and a most important Canadian industry would be built up, giving employment to thousands of men." On December 5th the question of iron and steel duties and bounties and the position of the

Dominion Iron and Steel Company was threshed out in the Nova Scotia Legislature, and, on December 29th, Mr. J. H. Plummer, President of the Company, with Messrs. F. P. Jones and William McMaster, of the Montreal Rolling Mills, interviewed the Minister of Finance at Ottawa, and claimed that American concerns were selling steel billets, steel rails, and other products in Canada at prices from 20 to 25 per cent. less than those of the domestic market.

The North Ontario Bye-Election

The most important Dominion election of the year was that in North Ontario where the Hon. George E. Foster, of Toronto, formerly Conservative Minister of Finance and a speaker of great force and eloquence, was pitted against Mr. George D. Grant, a young, aggressive and able Liberal who had been born and bred in the constituency. Mr. Foster accepted the nomination of the Conservative Convention at Cannington. on January 7th, 1903, and the Liberal press and speakers at once tried to make capital out of his having left Sir Mackenzie Bowell's Cabinet at a critical and now historic stage in its career. The alleged "nest of traitors" who broke up that Government was a favourite party slogan of the election. Conservative public opinion everywhere was hopeful of Mr. Foster's return. It would be a great boon to the party in Parliament, declared the *Mail and Empire* of January 10th. "Mr. Foster's matured experience, his keen logical mind and brilliant eloquence, will be splendid contributions from North Ontario to the solution of the problems of the hour."

The electoral history of the Riding had been a varied one. Liberal in 1867 by 266 majority and Conservative in 1872 by 215, it had gone Liberal in 1874, 1878, and 1882 by majorities of 92, 52, and 59 respectively, and Conservative in 1887, 1891, 1896 and 1900 by majorities of 158, 254, one, and 518 respectively. Mr. Grant's Address to the electors was dated January 24th, and commenced by denouncing the Redistribution of 1882, which had, he claimed, so violently gerrymandered the Riding. He stood upon the record of the Liberal party since 1896, and compared the present position of affairs with what he termed the "plotting and counter-plotting at the Council Board of the nation," which had brought a stain upon the public life of Canada. The growing revenues, profitable agricultural conditions, moderate and stable tariff, and clean administration of affairs, were his reasons for seeking support. "Let it be our aim to build up on the northern part of this continent a strong and self-reliant nation respecting itself, and respected by others, thereby strengthening the Empire to which we owe so much and are so proud to belong."

Mr. Foster's Address was dated February 4th, and urged the maintenance of a Canadian policy as dictated by Canadian interests; the employment in Canada of Canadian labour; the investment of Canadian skill and enterprise and capital in our

own country through careful fiscal arrangements and encouragement; the generous but not extravagant assistance to public work and transportation facilities; the instruction of young men in the higher duties of citizenship and increasing warfare against political corruption. "Nature has most richly dowered our country with vast undeveloped resources and franchises. We should husband and develop these for public good, and not merely for private or corporate exploitation—taking care that the public should have its legitimate share in the profits to arise from the development of its great franchises." Details he desired to discuss with the electors personally.

Meanwhile, Mr. J. Israel Tarte, M.P., had been making one of his earliest direct approaches to Conservative affiliation by urging the election of Mr. Foster in *La Patrie* on January 12th. "He is a man of talent and work. He has a long and precious experience. The Opposition lack in Parliament at least a financial critic. The Government and the country will profit by the re-entrance of Mr. Foster on the political scene." Two such Liberal papers as the Woodstock *Sentinel-Review* and the London *Advertiser* went so far as to say that it would be a graceful and proper act to allow him to be returned without opposition. The *Globe* of January 16th resented these suggestions and urged the difference between courtesy to a respected opponent and recognition, with tacit approval, of a public man who stood for "the old policy of tariff tinkering as opposed to stability, of extreme imposts as opposed to moderation, of entanglements as opposed to systematic methods." The Toronto *News* urged his election (January 21st) on the ground that it would greatly strengthen the Ontario delegation in Parliament and greatly strengthen the Opposition as a whole. He was a strong and honest man and therefore should be elected.

During the struggle which followed, in a constituency 125 miles long and involving incessant travel and hard work, Mr. Foster's health finally gave way and he had to return home to Toronto. But before doing so he had spoken at a number of places, assisted chiefly by Mr. J. J. Foy, K.C., M.P.P., and Mr. W. H. Hoyle, M.P.P. Mr. Grant had the influential assistance of Sir William Mulock who, at a meeting in Bracebridge on February 2nd, denied that Mr. Foster's election could have any good effect upon the affairs of the country. The Conservative party owed him nothing except their ruin in 1896, through the famous "bolt" from the Bowell Cabinet led by Mr. Foster. At Longford, Sir William made the tariff the main issue, and claimed the greatest pride of his life to have been participation in the freeing of the people from thraldom to Mr. Foster's old-time protective duties.

At the nomination on March 3rd, Mr. Foster was too ill to be present and the Leader of the Opposition took his place while the Hon. William Paterson spoke with and for Mr. Grant. Grow-

FREDERICK D. MONK, K.C., D.C.L., M.P.
Dominion Conservative Leader in Quebec.

JAMES J. FOY, K.C., LL.D., M.P.P.
Chief Lieutenant of the Conservative Leader in Ontario.

ing trade, increased revenues and good times constituted the Liberal creed, while Mr. Borden urged higher protection against the United States, declared that the people and not the Government had sent the Contingents to South Africa, and referred to Mr. Tarte's leaving the Government. During the succeeding week Mr. Borden spoke at different points in the constituency, and was aided by the Hon. Dr. Montague and various prominent members of Parliament or the Legislature. Sir William Mulock, the Hon. Mr. Paterson and others helped Mr. Grant. When the smoke of battle had cleared away on March 10th, it was found that the 518 Conservative majority of the late Angus McLeod had been turned into a Liberal majority for Mr. Grant of 200. As compared with 1900, the total Liberal vote had increased from 1,839 to 2,465; the Conservative vote had decreased from 2,357 to 2,265.

The reasons given for this result were varied. Upon one factor—the personal popularity and capacity of the young Liberal candidate and Member—all were agreed. As to how far the non-resident cry had affected Mr. Foster, or the agricultural character of the constituency aided the low tariff candidate, there could hardly fail to be many different opinions. The St. John *Telegraph* (L.) of March 11th hastened to describe this incident as "the passing of Foster," and as the most important bye-election in years. "A man for his worth and a policy for its worth were put on trial." The conclusion was obvious. To the Toronto *News* of March 17th Mr. Foster—after recovering somewhat from his illness—expressed at length his view of the contest. Summarized, he believed that the result was due to the hostility of the lumber interests, to private slanders against his character and to the corrupt work of the Liberal "machine."

Political Activities and the expected General Elections

During the latter half of 1903 keen interest was taken by politicians and a part of the public in what seemed to be the impending Federal elections. As the *Globe* said on November 18th in a front page eulogy of the Dominion Government and their policy: "The party bugles are blowing. There is a general impression that the Dominion Parliament may be dissolved any day and the verdict of the people asked upon the acts of the Government of Sir Wilfrid Laurier." Some five months before this date—on July 13th—the Toronto *News* had announced on "authoritative" information that the elections would take place in October or November, with the Hon. G. W. Ross as a member of the Dominion Government and, probably, Leader in the Senate. Its reasons for this conclusion were (1) the Redistribution Bill which precedent said should be followed by an early dissolution; (2) the general prosperity of the country; (3) the unprecedented surplus of the year; (4) the desirability of a popular pronouncement upon the Railway policy of the Government; (5) the greatly improved condition of the Premier's health.

A dispatch from Montreal to the *Mail and Empire* had also informed that Opposition journal on July 29th that an early election was definitely decided upon.

Two days later it was announced at Montreal that Mr. L. P. Pelletier, M.P.P., a member of Quebec Conservative Governments in 1891-97, and Mr. M. F. Hackett, K.C., a member of the Taillon and Flynn Conservative Ministries of the Province, had taken charge of the organization of the party in Quebec. It was also stated that Mr. C. E. Tanner, K.C., M.P.P., had been put in charge of the same work in Nova Scotia. A little later, on August 11th, a Luncheon of active or prominent Conservatives was held in Ottawa to enable the members of the party to meet Messrs. Pelletier and Hackett. Mr. R. L. Borden, Mr. Monk and Sir Mackenzie Bowell were amongst those present. In their speeches the two organizers expressed great hopes of success in the future and Mr. Pelletier said that his favourite remark to the people was: "You have the right to be Roman Catholics and French-Canadians, but above all you are bound to be Canadians."

As an Opposition, in such circumstances as that of a probable but not certain general election, are bound to be the aggressive and conspicuous element in political events, those of the next few months—outside of Parliament—bore the appearance of being largely Conservative in character. On August 12th, an out-door demonstration was held at the Island in Toronto Harbour, and was attended by the Hon. R. P. Roblin, M.P.P., Premier of Manitoba; Mr. J. P. Whitney, M.P.P., Opposition Leader in Ontario; Mr. L. P. Pelletier, M.P.P., Mr. M. F. Hackett, K.C., Mr. E. F. Clarke, M.P., Mr. E. B. Osler, M.P., Mr. R. H. Pope, M.P., and Mr. R. R. Gamey, M.P.P.—all of whom spoke either in the afternoon or evening. The demonstration was a large one but the total numbers varied from the Liberal estimate of 10,000 to the Conservative figure of 25,000. Mr. Borden was detained at Ottawa by Parliamentary duties. The two most important speeches were those of Mr. Premier Roblin who, fresh from an electoral victory at the polls of his own Province, denounced the Grand Trunk Pacific project on behalf of what he claimed to be Western opinion, and Mr. L. P. Pelletier, who spoke of French-Canadian sentiment and made a decided impression by his eloquence.

On August 25th a Conservative Convention was held at Halifax to nominate candidates. Mr. R. L. Borden, K.C., M.P., was unanimously re-nominated for one of the two seats but a keen contest took place as to the other. Mr. T. E. Kenny, ex-M.P., and Sir M. B. Daly were understood to have declined it and the contest finally narrowed in the Convention to Mr. John C. O'Mullin and Mayor A. B. Crosby of Halifax. The former won by 67 to 65 votes. The Opposition Leader had, meanwhile, telegraphed that either gentleman would be agreeable to him and useful to the party. Under date of September 3rd the Montreal *Herald's* cor-

respondent at Ottawa drew attention to a subject which had found continuous expression in Mr. Tarte's speeches and in those of other Opposition speakers—the state of the Premier's health. The matter was put plainly. "Conservative speakers and Conservative journals have confidently intimated that the Premier has not the health to continue in public life."

In reply to this alleged position it was pointed out how he had borne the labours of the most exacting Session in Canadian history, and stated that "the Premier was never better, stronger or more vigorous in his life." On September 14th it was stated by the Toronto papers that Messrs. A. W. Wright and T. W. H. Leavitt, the Ontario Conservative organizers, had resigned their positions. At Three Rivers, P.Q., on October 3rd, the Conservatives held a demonstration attended by thousands in honour of Sir John Macdonald's victory at the polls in 1878. Speeches were delivered by Messrs. F. D. Monk, M.P., L. O. Taillon, K.C., F. Chapais, M.L.C., P. E. Leblanc, M.P.P., L. P. Pelletier, M.P.P., and T. Chase Casgrain, M.P. Protection was the chief subject of discussion. Mr. R. L. Borden, the Opposition Leader, was banqueted at Ottawa, on October 8th, by 150 Conservative members of the Senate and House of Commons. Sir Mackenzie Bowell, Mr. F. D. Monk, the Hon. J. G. Haggart, Senator Miller, Mr. J. P. Whitney, Mr. J. Douglas Hazen, and Mr. Chase Casgrain were amongst the speakers. Mr. Borden urged preparation for the elections and rejoiced in the success of Mr. Roblin in Manitoba and Mr. McBride in British Columbia.

Following this came Conservative meetings at Berthier, St. Anselme, Farnham and other places in Quebec with an active participation by Mr. Tarte in what was practically a preliminary campaign. On October 15th the Jacques Cartier Club was inaugurated in Montreal as a Conservative headquarters, with speeches by Messrs. Monk, Pope, Hackett, Taillon, J. G. H. Bergeron and W. B. Northrup, M.P. Quebec City Conservatives to the number of 300 gave Mr. Borden a banquet on October 19th and listened to an elaborate address on the political situation. The Hon. L. P. Pelletier occupied the chair and introduced the Leader in a really eloquent speech. Other speakers were Messrs. L. O. Beaubien, Monk, A. E. Kemp, M.P., Chase Casgrain, Chapais, N. Boyd, M.P., and E. J. Flynn, M.P.P. Ten days later, Mr. Borden was tendered a Reception by the Lafontaine Club in Montreal with some 800 present. On November 10th a crowded political demonstration was held at the Monument National in Montreal, with Messrs. Borden, Monk and J. Israel Tarte as the chief speakers. To the Halifax *Herald* of November 5th, Mr. C. E. Tanner, M.P.P., stated that only three constituencies in Nova Scotia now lacked Conservative candidates and declared that the past 12 months in that Province had seen a marked change in public sentiment against the Government.

Meanwhile, the Prime Minister had been showing some politi-

cal activity outside of his heavy Parliamentary duties. On November 12th he was in Quebec receiving and conferring with the Provincial Premier, with the Hon. H. Archambeault, Attorney-General, and with politicians of various grades. The Hon. Mr. Prefontaine arrived on the following day and on the 14th Mr. William Power, M.P., gave a large Luncheon at the Garrison Club in honour of Sir Wilfrid Laurier. During the day some 150 students from Laval University called on the Premier at the Chateau Frontenac and, later on, accompanied by the Hon. Messrs. Prefontaine, Parent and Fitzpatrick, he inspected the work on the Quebec Bridge. At Montreal, on November 18th Sir Wilfrid Laurier addressed the Law Faculty of Laval University in that city. His speech was personal rather than controversial, and he spoke freely as to the great improvement in his health. The Hon. Mr. Prefontaine made a strong statement regarding the proposal for increased Treaty-making powers; Mr. F. D. Monk urged closer study of Canadian conditions; Mr. J. Israel Tarte was given a reception in which approval and hostility were combined and discussed the historic position of Baldwin and Lafontaine. On the following day the Premier received many visitors and attended a Reception in his honour at the Reform Club. On December 15th he was again in Montreal for a day or two.

The day before the Laval banquet the Hon. Mr. Prefontaine had told a Liberal meeting in Montreal that the constitution allowed two more years to Parliament, that custom allowed one but that it was usual to follow up a redistribution of seats with a general election. "Be ready, be always ready, whether the elections are held in six weeks or in six months." It was upon this occasion that Mr. D. Monet, M.P., not only accused Mr. Tarte of starting his fiscal campaign because of the condition of the Premier's health, but added that the former knew that neither Mr. Fielding nor Sir W. Mulock would have him in any Cabinet of theirs. On November 29th the Sir John A. Macdonald Club of Montreal gave a Luncheon to Mr. Monk and the two Provincial organizers, while Mr. R. Prefontaine, Minister of Marine and Fisheries, was banqueted on the same evening by the Reform Club, with Mayor Cochrane in the chair.

Evidences of a pending election grew daily more pronounced. The Toronto *Globe* on December 2nd declared that "The signs are multiplying that presage the near approach of the general elections for the Federal Parliament. Alike in Government and in Opposition circles activity is shown which suggests the real opening of the campaign. The date of the elections has not been announced, but the officers and members of the Liberal Associations throughout the country will do no more than intelligent prudence advises if they lose no time in making ready for a vigorous campaign." Three days later Mr. Rodolphe Lemieux, K.C., M.P., one of the rising politicians in the Liberal ranks, stated

at Montreal his belief that the Prime Minister would have a dissolution in January. He thought that: "The great question of Imperialism has come to such a point of discussion that it is quite time Canada declared itself upon the subject."

The politicians also began to discuss prospects. To the *Mail and Empire* of December 15th Mr. T. Chase Casgrain, M.P., spoke most hopefully of Conservative conditions in Quebec, and gave the failure of the Grand Trunk Pacific Company to put up its required securities as one of the main obstacles which the Liberals had to meet. To the *Globe* of December 23rd Mr. Camille Piche, K.C., one of the Liberal organizers in Quebec, declared that after the next election the Laurier Government would have a still larger representation than it now had from his Province. The retirement of Mr. Tarte would help to this end. "While he was one of the leaders there was always dissension amongst French-Canadian Liberals."

Meanwhile, in the North-West Territories and Manitoba, active work had been proceeding. The District of Saskatchewan formed a Conservative Association at Rosthern on October 15th and the Conservative Association of the District of Alberta re-organized at Edmonton on the same day. In Winnipeg, Mr. D. W. Bole, President of the local Liberal Association, delivered an elaborate and able address to the Young Men's Club on December 14th. To the Montreal papers on December 22nd, Mr. R. B. Bennett, M.L.A., of Calgary, declared that the Conservatives would carry at least six out of the ten Territorial seats. The Maritime Provinces during this busy political period had the tour of Mr. R. L. Borden and a visit by the Hon. A. G. Blair to New Brunswick. The Minister of Marine and Fisheries (Mr. Prefontaine) was in Summerside and Charlottetown on December 1st and in St. John on December 4. The Minister of Finance (Mr. Fielding), as Acting-Minister of Railways, visited various places about this time, including St. John on November 25th, Halifax on the following day, Charlottetown on December 15th, and Amherst on the following day. He was also at Sydney and other points in the three Provinces.

As the year closed however, it was apparent that another Session of Parliament might be held before the elections and, on December 31st, the *Globe* stated editorially that the reason given for such a course—namely the Parliamentary approval of the new guarantee offered by the Grand Trunk Pacific Company—was a sufficient cause. Two interesting personal incidents occurred during this period—the announcement on December 27th from Vancouver by Sir Charles Hibbert Tupper, M.P. for Pictou, N.S., that he had declined re-nomination for his own constituency and a nomination for Yale and Cariboo, B.C., and from Ottawa two days later that Sir Richard Cartwright would not again contest South Oxford, Ont., for which he had sat since 1887.

Sir Richard Cartwright's Toronto Speech

The public appearances of Sir R. J. Cartwright, Minister of Trade and Commerce, had not been very numerous of late years, although his speeches were and are worthy of all attention and respect—whatever may be the measure of agreement or the reverse which their conclusions obtain. Whether it was the possibility of a general election in the near future, or a natural desire to place before the people his present views of the position and affairs of Canada, it is not necessary here to determine, but on December 10th he addressed a large gathering in Toronto and expressed opinions which attracted considerable discussion at home and abroad.

Sir William Mulock presided and introduced "The Nestor of Canadian Politics"—as the *Globe* of next day termed him—with some brief reference to his 40 years of public service. Sir Richard Cartwright commenced his speech by dealing with Mr. Tarte and summarizing the varied sentiments which he inspired. "I am bound to say that my own estimate of Mr. Tarte does not vary from that which I entertained of him when he was a member of the Liberal Government. He is a gentleman, active and plucky and, at the same time, intelligent, fearless and straightforward, able, chivalrous and witty." Turning to the position of Canada he expressed agreement with Sir John Macdonald in the view that it was not an easy country to govern and declared that the present Government wished to be judged by broad results and not by isolated errors or mistakes.

He then reviewed the situation from the Liberal standpoint. Since 1896 they had greatly reduced the burden of taxation by means of the far-reaching Preferential tariff; they had doubled the gross revenue and nearly quadrupled the net revenue; they had found Canada ignored or slighted abroad and to-day "Canada leads the pace and English statesman of the highest rank are quoting what Canada has done;" they had found a total trade of $229,000,000 in 1896 and it totalled in 1903 $459,000,000; they had found in the former year farm exports of $50,591,002 which had increased to $114,441,863 in 1903 and total exports of $121,013,852 which had increased to $225,849,724 in 1903; they had found an export of manufactures in 1896 amounting to $9,000,000 and, despite misrepresentation as the determined foes of industry, they could now point to the total as $20,624,000; they had found the population almost stationary in its growth, but by judicious encouragement of immigration and the making of the country known, they could now boast of a yearly growth of not far from 300,000 persons; in 1896 the homestead entries in the West had been 1,384, and in 1903 they were 31,383; in 1897 the Public Debt had been $261,538,596, and in 1903, after much and varied expenditure for national development, it was $261,609,720. As to the expenditure it had increased $14,000,000 in Consolidated Fund account, but, he con-

tended, this increase was required and warranted by expanding interests and increasing population.

The speaker estimated the present population of Canada at 6,000,000. By 1905 he believed there would be 1,400,000 people west of Lake Superior—not much less than the total population of the Province of Quebec. This steady increase involved additional public expenditure while of late years the enormously higher cost of labour and materials was another consideration which the Government had to meet from a financial standpoint. With all this, however, the public burden per family had actually been reduced, by the increase in population, from $271 in 1896 to $218 in 1903. From these questions of home development and politics Sir Richard, after a study of the Grand Trunk Pacific project and a comparison of its position with the original position and cost of the C.P.R., turned to the question of our relations with the Empire and the United States. "The question of the present, which is probably more than any other agitating the British Empire, is the question whether it is possible to solidify the Empire."

The problem as he worked it out seemed simple and involved in the end an alliance of English-speaking peoples with special fiscal arrangements created as a result of an Empire preferential system which would force the United States into Reciprocity, not only with Canada, but with the Empire. He presented a close study of these questions * and, incidentally, deprecated protection as a policy. "If he (Mr. Chamberlain) designs protection I have nothing to say for him. If he means reciprocity I have a good deal to say in his favour. If Mr. Chamberlain declares that the United States owe their present prosperity to protection I deny it emphatically. If he says the United States have prospered in spite of it I agree with him completely." The veteran Minister concluded his speech with a direct political appeal for aid from the Province of Ontario. The "gerrymander" had been repealed, the hands of the people were now unfettered and their time had come to take a stronger position at Ottawa and in the Councils of the Dominion.

Mr. Borden's Tour of the Maritime Provinces

Meanwhile the Opposition Leader had followed up his Western tour of 1902 with an Eastern one in 1903. The latter commenced with a mass-meeting at Sydney, N.S., on November 24th. Mr. Borden here entered into an elaborate exposition of Conservative policy and criticism of the Liberal Government and his speech was the key-note of the succeeding addresses of his tour. He first of all denounced the Grand Trunk Pacific project as costing at least $120,000,000, as being under the control of the Grand Trunk Railway which might divert its traffic to United States ports, and as competing with and injuring the Intercolonial. He urged his alternative scheme by which the last-mentioned Government Line

* Note—See Sections III. and IV. of this volume.

might be extended from Montreal to the Georgian Bay, by purchase of the Canada Atlantic or by special construction. "The result would be that a very large portion of Western traffic would be brought to Canadian ports, that a very considerable business would be done by the ports of the Maritime Provinces and that, above all, the Intercolonial would be strengthened and developed." He contended that the Conservative plan would cost the people one-third less than that of the Government, would save the Intercolonial from eventual acquisition by the Grand Trunk, could be brought into almost immediate operation and would afford reasonable Government control of rates.

From this subject Mr. Borden turned to the fiscal question and urged strongly his idea of "adequate protection." He stated that in 1896 we imported from the United States $24,568,922 worth of 20 specified manufactured articles and in 1903, $50,732,592 worth; while, during the same period, Canadian imports from the United States of six specified articles of agricultural produce had increased from $8,750,000 to $14,700,000. "Every Canadian family buys annually from the United States $75 worth of American products. Every United States family buys annually $3.25 of our products." A surplus revenue and abounding imports were not necessarily signs of prosperity. If Canadian industries were all closed down our volume of imports would show an increase somewhat in proportion to the decrease of production and the revenue would be correspondingly buoyant. Protection was better than bounties and in his opinion what Canada needed most was an efficient tariff. He summarized Conservative policy as he had in Parliament on April 16th.

Messrs. A. C. Bell, M.P., and C. E. Tanner, M.P.P., also spoke. On the following day Mr. Borden and his two lieutenants spoke at Glace Bay in Cape Breton, and on November 26th at Sydney Mines and North Sydney in the same Island. A strong stand was made for higher protection in the alleged interests of the local iron and steel industry. Beginning with November 30th there followed a five days' visit to Prince Edward Island. A short address was given the Caledonian Club in Charlottetown on the first evening, and on December 1st a public meeting at Georgetown was addressed by the Opposition Leader, together with Senator Ferguson, Mr. John A. Mathieson, M.P.P., the local Conservative Leader; Mr. A. C. Bell, M.P., and others. On the following day a Reception was tendered Mr. Borden in the Opera House, Charlottetown, and in the evening a public meeting addressed. Two speeches were delivered in Summerside on December 3rd. When Mr. Borden left the Island the Charlottetown *Examiner* of December 5th declared that he left his supporters in a distinctly stronger position. "His speeches, and those of the able and eloquent men by whom he was accompanied, made a deep and, we believe, lasting impression upon the public mind. It is at all events known now that he is a man in whom prudent electors, who love their country, may place their confidence."

From the Island Province Mr. Borden proceeded direct to St. John, N.B., where he was received at the station on December 5th by leading local Conservatives and hundreds of citizens. A crowded "smoker" was held in the evening at the York Theatre, followed by a torchlight procession. During his speech, which did not deal very largely with direct political issues, Mr. Borden stated that in the preceding year he had altogether travelled about 22,000 miles. He expressed every hope of the result if an election was held in the near future. On the following evening a large public meeting was addressed by the Conservative Leader who took occasion to endorse Mr. Chamberlain's policy and to express the belief that he would ultimately win.

Moncton, N.B., was visited by the Opposition Leader on December 8th and a mass-meeting addressed, Springhill, N.S., on the 9th, Parrsboro' on the 10th and Truro on the 11th. He was at Annapolis, N.S., on December 14th, Digby on the following day, Pictou and Westville on the 17th, and New Glasgow on the 18th. To the press on December 21st Mr. Borden expressed great satisfaction with the results of his tour, referred to the organizing work of Mr. C. E. Tanner, and stated that activity everywhere was noticeable throughout the Conservative camp. On the other hand a correspondent of the Toronto *Globe* telegraphed on December 29th that the noticeable feature of the tour was the "absolute lack of enthusiasm."

The Opposition Leader's other Activities

Apart from this special tour Mr. Borden was unceasingly active during 1903 in the country generally as well as at Ottawa. At Amherstburg, N.S., on January 14th, he spoke at some length and was followed by Mr. C. E. Tanner, M.P.P., and Mr. H. A. Powell, ex-M.P. He declared that the increase in Canadian trade, far from being to the credit of the Government, was proportionally much less than that of other countries during the same period; that the increase in taxes and the Public Debt during the Liberal term had been very marked and in direct repudiation of previous pledges to the people; that the Fast Atlantic Line project had been practically abandoned; that political corruption under the influence and control of the Liberals was increasing; that Canada was suffering from United States competition in trade and industries; that the Preferential tariff, as it existed, was "a great humbug;" and that Liberal promises in regard to Senate reform and Prohibition had been distinctly broken.*

A week later Mr. Borden was given a banquet at Sydney, N.S. The chair was occupied by Mr. J. A. Gillies, ex-M.P., and the other speakers included Mr. A. C. Bell, M.P., and Mr. C. E. Tanner, M.P.P. In his speech the Opposition Leader expressed pleasure at the measure of success achieved by Mr. Whitney in Ontario and at the work which was being done by Mr. Monk in Quebec—which Province he believed "will give once more to

* NOTE—Montreal *Gazette* report, January 15th.

the Conservative party that support which it afforded in the lifetime of Sir John Macdonald." He proclaimed the policy of his party to be adequate protection to every legitimate industry; opposed any removal of the coal duties because the United States had taken such action; and urged the taking of steps to bring Newfoundland into Confederation. At a banquet in Montreal to Mr. F. D. Monk on June 29th, attended by some 1,100 guests, and also addressed by Mr. J. P. Whitney, Mr. R. P. Roblin, Premier of Manitoba, and Lieut.-Col. E. G. Prior, Premier of British Columbia, Mr. Borden again spoke in strong advocacy of protection. During the succeeding election contest in North Ontario he addressed several meetings in support of the Hon. Mr. Foster, and on March 23rd following was offered the unanimous nomination of the South Ontario Conservatives for the next general election. The invitation, however, was declined, in view of the greater personal claims of his old constituency of Halifax.

In Toronto, on March 24th, Mr. Borden spoke at a large party banquet in Victoria Hall, and received an Address embodying the hope that he would soon be Prime Minister. He repeated his views regarding the tariff and, upon another subject, said: "Shall we take care to so guard any franchise we give that it must be exercised alone in the public interest? Shall we see that any railway receiving public assistance forms part of an all-Canadian route?" On the preceding day he had addressed a large gathering of Conservatives at Whitby when he strongly advocated a policy of reciprocal Preferential trade within the Empire and denounced the Government for various alleged broken promises. "Instead of free trade as it is in England and Prohibition as it is in Maine we are having Prohibition as it is in England and free trade as it is in Maine." A banquet was given to Mr. Borden at Montreal on April 22nd by the Sir John A. Macdonald Club with its President, Mr. D. A. McCaskill, in the chair. Mr. F. D. Monk, Sir Mackenzie Bowell, the Hon. E. J. Flynn, Conservative Leader in the Quebec Legislature, and Mr. T. Chase Casgrain, M.P., also spoke. The guest of the evening reviewed his two years of leadership; compared the past and present policy of the Liberal party; declared Mr. Paterson and Mr. Prefontaine to be the only protectionists in the Cabinet; urged a higher tariff against the United States and stated that the only satisfactory British preference was a mutual one. "That Preference must be given in such a way as not to imperil Canadian industries." He considered the transportation question a vital one. "We must (1) provide our great national ports with modern and adequate terminal facilities, (2) improve the Lake harbours for vessels of effective tonnage and (3) render the St. Lawrence route as absolutely safe as money can make it."

During another visit to Montreal on June 23rd Mr. Borden was interviewed at length by the *Star*. He deprecated any Federal political interference in Ontario and believed that the people of

that Province should work out their own political salvation. "Only in the most unlikely event of some grave dereliction of duty by the Lieut.-Governor of Ontario would the Federal authorities be justified in interfering." He praised the sincerity of Mr. Tarte's convictions in the matter of protection; expressed the view that assistance to the steel industry should be through the tariff rather than by bounties; and stated that he had last year made a formal offer to Sir Wilfrid Laurier of Conservative support to a Resolution affirming the Canadian and Imperial advantages of a policy of mutual Preferential trade.

On August 25th the Toronto *News* declared Mr. Borden's speech in Parliament on the Grand Trunk Pacific to have been a genuine surprise. "His grouping of facts, his handling of figures, his statement of his conclusions, were admirably done. The intellectual qualities were fused by a charm of delivery which fairly took many of his critics off their feet. It was an admirable performance, alike in its intellectual and its temperamental aspects. It stamped Mr. Borden as a growing man." At Halifax, on August 25th, Mr. Borden was unanimously re-nominated by the local Conservative Convention for what was believed to be an impending general election. A telegram from the Leader was read accepting the nomination. A few days later, on September 1st, Resolutions were passed at a meeting of the Alberta Territory Conservative Association assuring Mr. Borden of his party's approval in the far West. On September 11th the Toronto *Star* (L.) paid editorial tribute to his personal qualities. "His even temper and abiding courtesy have commanded respect from friends and opponents alike."

In the House of Commons, on September 23rd, an interesting personal incident occurred when the Hon. Mr. Fielding was charged with one-time Secessionist views and, in turn, charged Mr. Borden with having once made speeches "not altogether in harmony with adulation of Sir John Macdonald and the National Policy." This statement the Opposition Leader challenged him to prove and Mr. Fielding, in response, said that at the time in question his Hon. friend's speeches had not received very much attention from the press. However, "I have understood—let us not mince words now—that my Hon. friend up to a comparatively recent date, long after the National Policy was proclaimed, counted himself a member of the Liberal party. I believe he acknowledged himself to be a member of the Liberal party until the agitation arose in Nova Scotia on the question of repeal. . . . I am informed and believe that he took the stump in one of the counties of Nova Scotia in support of a Liberal candidate against the National Policy." Mr. Borden emphatically denied the assertion that he had opposed Sir John Macdonald on the stump and then gave the following explanation: "I made a five minutes' speech in 1882—the only political speech I ever made in my life up to 1896—in support of my kinsman the Minister

of Militia (Sir F. W. Borden). In that speech I made no reference to the National Policy or to the trade policy. I am inconsistent to that extent, but I am not ashamed of having made that speech or supported that gentleman." *

Questions between the Provinces and the Dominion

The holding of the Inter-Provincial Conference * at Quebec in 1902 opened up or enlarged various issues between the Provinces and the Federal authority. One of these was the Halifax Award matter in which certain Provinces claimed the right to receive the sum paid over to the Dominion Government by the United States in settlement of the Atlantic Fisheries dispute of the early Seventies. The St. John *Telegraph* of January 3rd published a lengthy document presenting in this connection the arguments of the Hon. William Pugsley, K.C., Attorney-General of New Brunswick. He recapitulated the incidents leading up to the Award of 1877 by which Canada received the $5,000,000 payment; claimed that the British Crown had always asserted and maintained a complete and exclusive jurisdiction over the inshore Fisheries of the different Provinces; that these fisheries and fishing rights within the three-mile limit remained after Confederation vested as proprietary rights in the Maritime Provinces; that, therefore, the payment by the United States should have been divided proportionately amongst the Provinces concerned—as in the distinct case of Newfoundland—and not handed over to and retained by the Federal authorities.

Nova Scotia, however, declined to join in the demand and Attorney-General Longley announced the view that it would be more advantageous to the Province and the fishermen to have the Award administered by the Dominion—the latter Government having since 1882 set aside about $150,000 a year, or $3,156,113 from that year to 1901, for bounties to the fishermen of the three Maritime Provinces and Quebec, besides expending a large annual sum on Fisheries' protection. Various references were made to the subject during the year in the Legislatures of New Brunswick and Prince Edward Island, especially, and much hope was expressed of obtaining this substantial addition to Provincial revenues. Meantime, and apart from this question, that of the status of Dominion and Provincial authority in the Fisheries generally was a subject of discussion at the Pacific coast, as well as on the Atlantic sea-board.

It was one of the topics dealt with by the Hon. E. G. Prior and Attorney-General Eberts during their visit to Ottawa, and was elaborately treated in a document submitted to Sir Wilfrid Laurier under date of February 3rd. It was admitted by them as well as by others concerned that the Imperial Privy Council decision of May 26th, 1898, substantially gave the regulation of the Fisheries into Federal hands while conceding pre-Confedera-

* NOTE—*Hansard*, page 12192. † See *The Canadian Annual Review* for that year.

tion proprietary rights to all the Provinces. But it was claimed in this case that the present administration of their Fisheries was not satisfactory and that the Provincial Government had, naturally, a better local knowledge of the industry and the conditions which governed its success, than that at far-away Ottawa. The Ministers therefore presented certain views as to policy in this respect and asked for the co-operation of the Dominion Government in carrying them out.

On August 4th, Mr. Raymond Prefontaine, Minister of Marine and Fisheries, presented a Memorandum to the House of Commons upon this general question of regulations and rights and also dealing with the Halifax Award claims. He pointed out that the Lake Fisheries—with a possible reservation as to United States boundary waters—had been relinquished to the Province of Ontario, so far as proprietary rights were concerned and including the issue of all fishing licenses in inland waters, and the collection of revenues therefrom, though with the reservation of rights of regulation. With Quebec a similar arrangement was made as to inland rivers and waters, but the Dominion exercised jurisdiction over the Gulf fisheries from a specific point. This the Province demurred at and the matter had been referred to the Supreme Court. In the other Maritime Provinces, including British Columbia, a tentative agreement had been come to by which the Federal authorities administered the Fisheries pending settlement of the question as to jurisdiction below low-water mark.

As to the Atlantic Provinces claim in the matter of the Halifax Award Mr. Prefontaine declared that the Government could not acquiesce. They held that any right possessed within the three-mile limit was in the nature of a jurisdiction exercisable by the Crown as representing the State and not in any way to be regarded as a proprietary right to the Provinces. Any jurisdiction which the latter may have exercised as Colonies passed automatically to the Dominion, and was subject wholly to the Admiralty Courts and not to the Common Law Courts. He regretted delay in the settlement of these questions—due largely to the constant changes in the administration of the Department —but intended to now press the matter to a conclusion. There would have to be a finding on the extreme claims of the Provinces and then, perhaps, the solution would be easier.

On January 27th, the Premiers of Ontario, Quebec, British Columbia, Manitoba, Nova Scotia, New Brunswick, and Prince Edward Island met at Ottawa to present to the Dominion Government the Resolutions of the Quebec Conference of the previous year. Most of the Prime Ministers were accompanied by one or more of their colleagues. Mr. Ross had the Hon. F. R. Latchford with him; Mr. Parent was alone; Colonel Prior had the Hon. D. M. Eberts; Mr. Roblin was unaccompanied; Mr. Murray had the Hon. J. W. Longley; Mr. Tweedie had the Hon. W. Pugsley; Mr. Peters was accompanied by the Hon. Messrs. R. Rogers and

J. F. Whear. The deputation was received by Sir Wilfrid Laurier and some of his Ministers, and a lengthy Memorandum from the Hon. G. W. Ross was presented, explaining and amplifying the scope of the Resolutions. The wishes of British Columbia were also embodied in a special document from its Premier. The following table indicates the result of the proposals thus laid before the Government—if they should be carried into operation:

Province.	Present Subsidy.	Proposed Increase.	Proposed Allowance.	Total Increase.
Ontario	$1,116,872	$629,484	$240,000	$869,484
Quebec	889,252	429,865	240,000	669,865
Nova Scotia	320,000	47,659	190,000	237,659
New Brunswick	257,010	7,885	180,000	187,885
Manitoba	122,004	81,952	180,000	261,952
British Columbia	78,538	61,987	150,000	211,987
Prince Edward Island	87,262	4,655	100,000	104,655
Total	$2,870,938	$1,263,487	$1,280,000	$2,543,487

Interviewed at Montreal, on January 3rd, by the Toronto *Star* representative, the Hon. R. P. Roblin of Manitoba stated that the demands of the late Conference were not all the Western Provinces wanted and expected to obtain from the Federal authorities. "Of course, I can only speak for Manitoba, and will say that we intend asking for greater monetary assistance in view of the land and timber grants that have been made by the Federal Government. The other Provinces are all receiving assistance on account of their mines and fisheries, but as Manitoba has not any of these, the chief reason why we should receive assistance is on account of lands and timber limits. The request for greater consideration will be made as soon as political autonomy is granted the Territories, and we will be able to have their assistance when we go before the Federal Parliament." The Conference Resolutions were only presented to some of the Legislatures. They were passed on April 6th in that of Nova Scotia; in that of Quebec on April 15th; in that of New Brunswick on April 9th; and in that of Ontario on June 12th. In the New Brunswick Legislature an amendment moved on behalf of the Opposition by Mr. Douglas Hazen, and declaring that New Brunswick would not be fairly treated under the proposed arrangement, was rejected by 25 to 9 votes.

In the Ontario Legislature Mr. J. P. Whitney moved the addition of the following words to the Resolutions but they were voted down by a Government majority of four—37 to 33: "But this House regrets that the position of the Province of Ontario with reference to the moneys expended on Railway construction and in Railway subsidies by the Parliament of Canada; the proportions thereof received by her; the proportion of Dominion taxes paid by her; and her just claim in any re-arrangement of the Federal subsidies to the Provinces; were not put forward by the First Minister at the Inter-Provincial Conference and pressed by him

upon the attention of the Dominion Government." Mr. Whitney made the following comment:

> The Dominion taxed the Provinces and paid out part of the revenue in railway subsidies and, as Mr. Ross had said, the Ottawa House in 1883, in so doing, did for the Provinces what they should do for themselves, and took the dangerous step of practically subsidizing the local Legislatures. Since Confederation Quebec had received 13 million dollars in railway subsidies, Ontario 9 millions, New Brunswick 5 millions, Nova Scotia 3 millions, British Columbia 4 millions, Prince Edward Island 4 millions, a total of 39 millions, so that Ontario had received less than one-quarter of the subsidies granted, though it paid one-half of the taxes, and had nearly one-half of the population.

The subject was discussed in the Senate on June 2nd by Senators W. J. Macdonald and R. W. Scott. The latter declared that it was now a continuous cry from the Provinces for more money. "The Provinces had gone into bonusing railways and iron and steel concerns—expenditures which were never contemplated for them at the time of Confederation, and which belonged to the Federal power. The Provinces at that time had valuable assets; Mr. Macdonald's own Province had valuable assets, which had been given away lavishly. Indeed, one gift had recently caused a crisis. The last increase was intended to be final, but there was no finality." To show that the tendency of the Provinces was to spend all they had, he cited the Quebec Trunk line. Prince Edward Island alone was entitled to consideration. Quebec's water-powers were to-day worth millions more than was ever expected at Confederation. He deprecated the granting of railway subsidies by Provinces; there ought to be only one spending Government; the Province money came lightly and went lightly. What Ontario received from the Dominion was but a small part of its revenue. Where the Provinces undertook expenditure such as he had mentioned, it was going too far to say that the Federal Government should make up whatever deficit they might have. In connection with the Toronto and Hamilton Railway and similar legislation at Ottawa, in which it was feared that Provincial rights and privileges were involved, the Ontario Legislature on June 16th passed, unanimously, the following Resolution moved by Mr. Andrew Pattullo:

> This House protests against the tendency of late years on the part of the Dominion Parliament, in matters of legislation, whereby companies are being incorporated by special Acts though such companies have purely Provincial objects and come within the purview of sub-sections 11 and 16 of Section 92 of the British North America Act; that the expedient which it has become customary to adopt of inserting in bills the mere assertion that the works of the Company being incorporated are declared to be for the general advantage of Canada affords no reasonable protection against encroachment upon Provincial jurisdiction, the bills being entertained and passed apparently in ordinary routine, and without reference to any serious consideration of the question of jurisdiction; that there is involved in this growing tendency towards encroachment on the Provincial field of legislation an invasion of the rights of municipalities, which this House regards as of serious importance; that the Provincial laws relating

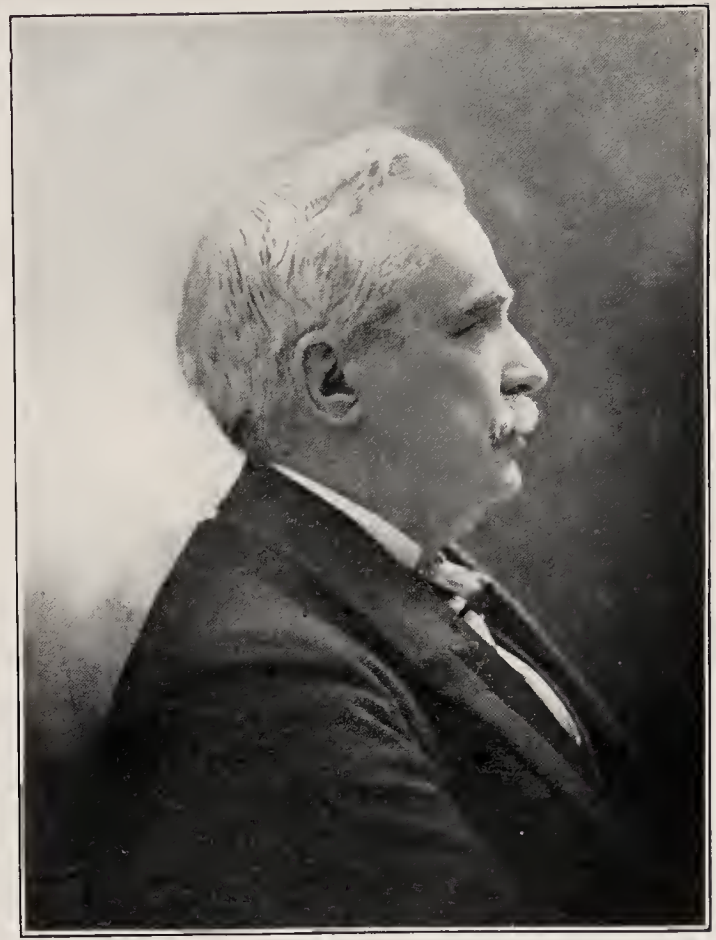
to electric railways have been designed to safeguard in many respects the rights and interests of municipalities through which these railways run, or are chartered to be constructed, and the protection to municipalities thus afforded will be prejudicially affected, if not entirely removed by an assumption and exercise of the right to legislation regarding these local railways on the part of the Dominion Parliament. This House, therefore, respectfully urges the Dominion Parliament not to pass legislation of this nature, pertaining to matters heretofore generally understood to be within Provincial jurisdiction and which, in their nature, are matters of purely local concern.

Death of Sir Oliver Mowat

At the age of 83, Sir Oliver Mowat, G.C.M.G., K.C., LL.D., Lieutenant-Governor of Ontario, passed away on April 19th. His career was unique in several respects. Associated with the old-time politics of Upper Canada; taking his part in the Confederation of the Dominion; sitting on the Bench of his Province for some years; administering its affairs as Prime Minister for nearly twenty-four years, and winning six consecutive general elections; entering Federal politics in 1896, in order to help the Liberal Opposition, and taking office for a time in the new Laurier Government as Minister of Justice; dying as Lieutenant-Governor of the Province he had so long ruled as Premier; Sir Oliver Mowat left a firm imprint upon the history of his time. "He goes to his grave," said the Toronto *News*, "honoured by Canadians of all parties, classes and creeds, and he leaves a record of service and achievement as fragrant and as honourable as any that Canadians are permitted to cherish." For some years past the Lieutenant-Governor had not been very strong physically, though as active mentally as he had ever been, and an accident on April 14th served to hasten the inevitable end.

Messages of sympathy poured in from every part of the Dominion, and the State funeral on April 22nd was marked by the presence of an immense throng of people, including, amongst those from a distance, Major-General Lord Dundonald, Sir L. A. Jetté, Lieutenant-Governor of Quebec, Hon. J. Israel Tarte, M.P., and Messrs. Sutherland, Paterson and Templeman, of the Dominion Government. The honorary pall-bearers were Sir Wilfrid Laurier, Hon. George W. Ross, Hon. J. M. Gibson, Chief Justice Moss, Chancellor Boyd and Sir William Mulock. At the Government House, Principal Caven, of Knox College, spoke briefly of the Christian life and character of the deceased politician, and this phase of his career was the subject of widespread comment in the pulpit and the press. As the *Christian Guardian* of April 22nd put it, "Sir Oliver Mowat was a Christian, sincere, devout, practical. A member of the Presbyterian Church, and loyally and actively connected with his Church's work, he carried Christian principle into all phases of his public life. He was in his character and conduct a complete refutation of the common fallacy that political life is essentially hostile to Christian ideals, that a man cannot be at one and the same time an earnest Christian and an active politician."

THE LATE HON. SIR OLIVER MOWAT, G.C.M.G., K.C.
Lieut.-Governor of Ontario.



THE LATE HON. DAVID MILLS, K.C., LL.D.
Justice of the Supreme Court of Canada.

Following the funeral came many messages from public bodies—notably a Resolution of regret passed by the Legislature of British Columbia on April 21st, and by the Legislature of New Brunswick on April 28th. On April 20th the Premier of Canada moved the adjournment of the House of Commons in eloquent terms, and was supported in his expressions by Mr. R. L. Borden and Mr. E. F. Clarke. Sir Wilfrid Laurier declared that in his estimation "the one special feature of Sir Oliver Mowat's character and career which will stand out in bolder relief than any other, is that, of all the men who contributed to shape our institutions and bring them to the degree of excellence they have now reached, he perhaps performed the largest share." Sir John Macdonald may have had the merit of bringing Confederation into active operation, but to Sir Oliver Mowat belonged the credit, in his opinion, of giving it character as a Federal compact.

In the Ontario Legislature, on April 21st, the Hon. G. W. Ross, Premier of the Province, presented an interesting eulogy of his one-time colleague, the late Lieutenant-Governor. He described his principal achievement as that of preserving Provincial rights, enlarging Provincial powers and emphasizing Provincial independence of any Dominion constitutional control over local affairs. Mr. J. P. Whitney, the Opposition Leader, dealt chiefly with Sir Oliver Mowat's love for British connection and loyalty to the ideal of Empire. In this latter connection a Liberal appreciation and expression of opinion, different from that of Sir Wilfrid Laurier, appeared in the *British Empire Review* of July, from the pen of Mr. J. S. Willison—for many years Editor of the Toronto *Globe*. "It is in his character of Imperialist rather than of Federalist that Sir Oliver Mowat has his chief title to the regard of the British people." After some reference to "the formidable agitation for Commercial Union with the United States," which arose in, Canada fourteen years before, and to Mowat's speeches against annexation or annexation tendencies, Mr. Willison proceeded: "These and similar utterances greatly affected public opinion throughout the country, and substantially checked the growth of annexationist sentiment amongst the Liberals."

Meanwhile, the Toronto *Globe,* which for so many years had supported "The Little Premier," referred to him on April 20th as follows: "Duty well done, tasks never neglected; these are the keynotes of Sir Oliver Mowat's success. His career proves that however much the people may love the rhetorician, the man of brilliant parts, they never fail to trust in the very greatest degree that other who not unfrequently reaches a far higher place by sheer force of useful achievement. In him Liberalism was an intellectual faith super-imposed upon instructive conservatism." Editorially the same paper dealt with his services to law reform, his contributions to legislation, his success in constitutional contests and government. But greater, more important and more enduring than all of these, "the life and example of

Sir Oliver Mowat have been a power making for the elevation and clarifying of political morality."

The Conservative press was kindly in its comments with a few exceptions. The *Mail and Empire* of April 20th declared him to have had much Conservative support as being "a safe and solid man, free from extreme tendencies and exceedingly cautious in his legislation." The Montreal *Star* of two days later referred to him as giving Ontario "an economical and wise administration of her affairs, and a leadership in keeping with her opportunities and capacity." The St. John *Sun* of April 20th declared that he "clung to educational abuses and perpetuated many anomalies," while the Halifax *Herald* described him as an astute and resourceful politician "with slight scruple as to methods so long as they promised success, but with constant regard to public appearances for their radical value." This latter utterance was strongly criticized and, on the other hand, the Toronto *World* referred to his political sagacity, and declared that he had a "high sense of his public duties and untiring industry" and, "for the most part, gave as good government."

Death of the Hon. David Mills

The passing away of Mr. Justice Mills, of the Supreme Court of Canada, on May 8th, was unexpected and was universally recognized as a severe loss to the Judicial and public life of Canada. The successor of Sir Oliver Mowat as Minister of Justice at Ottawa he had only survived him a few weeks after having held that post between four and five years and been a Judge of the Supreme Court since February, 1902. Born in 1831, the Hon. David Mills, K.C., LL.D., had been a member of the House of Commons 29 years, and of the Senate for six years. He was Minister of the Interior 1876-8, Editor of the London *Advertiser*, 1882-7, and Professor of Constitutional and International Law at the University of Toronto 1888-97. He was a man of parts and successful in all—a statesman rather than a politician, a constitutional lawyer and a jurist, a journalist and author and poet, a speaker and a lecturer.

Through Lord Strathcona he was at one time offered the Principalship of McGill University but thought fit to decline. Personally, Mr. John Cameron, Editor of the London *Advertiser*, well described him in that paper, on May 9th: "He was on the whole the man of widest and most varied reading I have ever known, and during his time of greatest vigour his memory was phenomenal. He was fond of literature, fond of nature, fond of children, birds and flowers. He was ever ready to do a kindly action, and showed in his face the magnanimity of his nature. He was not only a man of splendid intellect and wide culture but a good man. His creed was broad and tolerant, and he was incapable of meanness or intentional wrongdoing. He was a man of deep religious feeling, though he never paraded it."

The funeral took place on May 11th. On the same day Chief

Justice Sir Elzéar Taschereau paid the following tribute to his late colleague: "During his brief career on the Bench he earned the confidence and respect of the Bar for his patience to hear and his intelligent appreciation of argument, for his industry in the investigation of truth, and for his scrupulous care in preparing his opinions. On their face they indicated his close companionship with books, a deep knowledge of the fundamental principles of the law, and a keen pursuit of the authorities. It may well and truly be said that a more conscientious and upright Judge this country never had." To these tributes there was not a dissenting public voice. The press and public men of every type joined in appreciation of his character and career.

The Toronto *Mail and Empire* of May 11th incidentally pointed out that this most moderate and cautious of Canadian public men had started out in 1867 with a programme which included an elective Senate; the appointment of judges by the Provinces; the complete separation of Federal and Provincial jurisprudence; the exclusion of British Columbia from the Union; the construction of the Canadian Pacific Railway, if at all, by the Imperial authorities; the government of Canada by the Canadian Parliament and not by Downing Street. His later life, it may be added, was marked by an intense admiration for British institutions and, though of so philosophical a temperament, he could fight vigorously at times, as was proven by his long-maintained and aggressive conduct of the Opposition battle against the Franchise Act of 1885 and his final controversy in the magazines over the Alaskan Boundary question. To him, as to Sir Oliver Mowat, public office was a public trust, and the following editorial reference in the *Globe* of May 11th conveys an accurate picture of the man and his career:

> David Mills was not a great man, as some count greatness, but his was one of the best influences in Canadian political life. His political career covered almost the entire history of the Dominion; much of his most useful work was done while his party was in Opposition, and throughout it all he was a power making for strength and steadiness in Parliament and in public thought and action. He was a good man, his goodness making him great, and sincerity of character and honest service rather than unusualness of genius secured for him an unique place in the confidence of the people of Canada.

DOMINION APPOINTMENTS AND POLITICAL INCIDENTS

Jan. 1.—Owing to not having taken the oath as Canadian Privy Councillors upon the accession of King Edward the following gentlemen are stated to have lost their membership in that body: Sir Henri Joly de Lotbiniére, Sir W. P. Howland, Hon. W. B. Vail, Hon. L. F. R. Masson, Hon. Edgar Dewdney, Sir John Carling, Hon. T. Mayne Daly, Hon. David Laird, and the Hon. Hugh John Macdonald.

Jan. 2.—Mr. W. D. Scott is appointed Superintendent of Immigration by the Dominion Government in place of Mr. Frank Pedley.

Mar. 12.—Mr. Rufus Curry, of Windsor, N.S., states that for personal reasons he cannot accept the seat in the Senate to which he had been appointed on the previous day.

Mar. 20.—A large deputation waits upon the Prime Minister at Ottawa in the interest of a grant of $50,000 for making the annual Toronto Exhibition a Dominion affair. It is composed of Senators Kerr and Edwards, and a number of members of the Commons, including Messrs. W. R. Brock, J. Israel Tarte, A. F. MacLaren, R. Beith, W. Hackett and H. Cargill, together with Mayor Cook, of Ottawa, Mayor Urquhart, of Toronto, and Mr. W. K. McNaught, President of the Toronto Exhibition. The Premier intimates that the request will be granted.

Mar. 24.—The following members are chosen Chairmen of Committees in the House of Commons :

Railways and Canals—Mr. Charles S. Hyman.
Banking and Commerce—Mr. Archibald Campbell.
Agriculture and Colonization—Dr. Douglas.
Private Bills—Mr. M. K. Cowan.
Standing Orders—Mr. L. P. Demers.
Expiring Laws—Mr. H. J. Logan.
Privileges and Elections—Mr. F. B. Wade.
Debates—Mr. L. N. Champagne.
Public Accounts—Mr. D. C. Fraser.

April 16.—Judge McTavish, of Ottawa, the Commissioner appointed to inquire into the question of a Tobacco Combine, reports to Parliament as follows :

"1. That the contract system complained of does in fact exist, and is in general use in the cigarette and tobacco trade in Canada.

"2. That the provisions of the contracts in question are not illegal, either under the common law or under any statutory law heretofore enacted by the Parliament of Canada.

"3. That the manufacturers of cigarettes and of Canadian tobacco, other than the American and Empire Tobacco Companies, are at a disadvantage in the distribution of their goods, and in the presentation of their business generally by reason of such contract system."

April 24.—Mr. Edward Botterell, for 34 years Chief of the Distribution Office of Parliament, tenders his resignation to take effect on June 30th.

April 24.—The resignation of Senator J. W. Carmichael, of New Glasgow, from the Upper House is announced.

May 2.—Mr. E. O. Talbot, M.P. for Bellechasse, is banqueted at Quebec in honour of his work in the interests of the Trans-Canada Railway project. A number of members of Parliament and the Legislature are present with Mr. George Tanguay, M.P.P., in the chair.

May 11.—The Toronto *Globe* announces the retirement of Mr. Alexander Smith, B.A., who for ten years has acted as Chief Organizer for the Liberal party in the Dominion.

May 23.—The appointment of Dr. J. A. Smith, of Windsor, Ont., to be Collector of Customs at that point is announced.

June 4.—Dr. A. E. MacIntyre receives the appointment of Chief Government Analyst at the Arsenal, Quebec.

June 6.—The annual Decoration of Sir John Macdonald's monument in Toronto takes place with speeches from Messrs. J. P. Whitney, K.C., M.P.P., and F. D. Monk, K.C., M.P.

June 10.—A Petition signed by 200 Irish Catholics of Quebec is forwarded to Sir Wilfrid Laurier asking for appointment to the Senate of the Hon. J. J. E. Guerin, M.D., M.P.P., Member of the Provincial Government without Portfolio.

June 11.—The Senate declares vacant the seat of the Hon. L. F. R. Masson, owing to two years' consecutive absence from its sittings.

June 19.—The City Council of Montreal presents a Resolution of congratulation to the Hon. L. O. David, F.R.S.C., City Clerk, upon his elevation to the Senate.

July 8.—In the Railway Committee of the House of Commons the Hon. A. G. Blair objects to the names of members appearing in Bills seeking the incorporation of various concerns.

Sept. 30.—At the annual meeting of the Great North-Western Telegraph Company, Mr. H. P. Dwight retires from the active management of the Company after 56 years of service. He is re-elected President, and Mr. Isaac McMichael succeeds him as General Manager.

Oct. 9.—The Canadian Club of Ottawa is organized at a meeting attended by 200 citizens. Lieut.-Col. Percy Sherwood, C.M.G., is elected President; Messrs. W. L. Mackenzie King and J. T. McDougall, Vice-Presidents; H. P. Hill, Secretary; P. D. Taylor, Treasurer, and Arthur Leggatt, Literary Correspondent.

Oct. 9.—A meeting of Directors of the Western Ontario Dairymen's Association passes a Resolution urging the Dominion Government to appoint Mr. Thomas Ballantyne, of Stratford, a member of the Senate and a Cabinet Minister, in charge of the dairymen's interests. A large delegation is appointed to wait upon the Prime Minister with this object in view.

Oct. 15.—Sir William Mulock, Postmaster-General, makes a statement in the House of Commons regarding his Department, which is of a most gratifying character. He gives the surplus for the fiscal year 1903, as $395,361, if the special Yukon service be excluded, and as $292,702 if that be included. He compares this with the Departmental deficit of $781,000 in 1896. He gives the following table of comparisons :

	1896.	1903.	Increase.	Increase per cent.
Post-offices in existence	9,103	10,150	1,047	12
Number of miles of mails carried	30,551,633	35,509,413	495,729	17
Money order and postal offices in existence	1,310	6,184	4,874	372
Post-office savings banks	755	934	179	24
Number of letters carried through Canadian post-offices	124,342,300	234,991,000	100,648,700	89
Total amount of money transmitted by money order and postal note	$13,081,860.62	$28,904,096.92	$15,822,236.13	120
Number of savings bank transactions, receipts and payments	242,619	336,012	93,393	38
Number of accounts opened in post-office savings banks	126,442	167,023	40,581	32
Amount of money deposited by the people in post-office savings banks	$28,932,928.68	$44,255,326.95	$15,322,397.27	52

Oct. 17.—In connection with the apparently pending general elections and the distribution from Ottawa of campaign literature Mr. C. Marcil calls the attention of the House of Commons to the crowded condition of the corridors and the congested state of the mails, resulting from the Conservatives rushing out their franked literature and using the Government mail bags for the purpose. Several discussions take place, but the Post-office Department does not interfere.

Oct. 20.—The Stratford City Council passes an unanimous Resolution asking for the elevation of Mr. Thomas Ballantyne to the Senate.

Oct. 27.—At a gathering in St. Boniface, Manitoba, a purse of $500 is presented to Mr. A. A. C. LaRiviere, M.P., in celebration of his 25 years of public service.

Oct. 29.—The appointment of two new Commercial Agents to England is announced from Ottawa—Mr. J. B. Jackson, K.C., of Ingersoll, and Mr. P. B. MacNamara, of Brockville.

Nov. 3.—The death is announced at St. Lin of Madame Adeline Laurier, the second wife and widow of Carolus Laurier, the father of the Prime Minister of Canada. She married Mr. Laurier when the future Premier was about seven years old.

Nov. 4.—The Winnipeg *Telegram* urges the creation of a Government Department to manage and deal with External Affairs, such as questions of an Imperial or diplomatic character.

Nov. 8.—The Hon. R. W. Scott and Mrs. Scott celebrate at Ottawa the 50th anniversary of their wedding.

Nov. 20.—Ald. Herbert B. Ames, a prospective Conservative candidate in Montreal, addresses the Junior Conservative Club in that city upon the Transportation question and deals elaborately with the Government scheme and Mr. Borden's alternative proposition.

Nov. 23.—The Hon. Mr. Prefontaine visits Toronto; is entertained at a large dinner by Mr. F. B. Polson; announces a Government contract with the Polson Company for a cruiser designed for the Fishery Protection Service; and receives two deputations regarding the question of removing the Observatory to Ottawa.

Nov. 24.—The Montreal *Gazette* estimates the expenditures approved by Parliament at the preceding Session as $251,000,000, divided as follows :

Regular Supply Bill	$ 70,863,000
National Trans-continental Line	120,000,000
Railway Subsidies	13,300,000
Quebec Bridge guarantee	6,678,000
G. T. Pacific Bond guarantee	31,000,000
Canadian Northern guarantee	9,300,000
	$251,141,000

Dec. 8.—Under this date Mr. John Hawkes, of the Carnduff (N.W.T.) *Gazette*, writes to the press stating his intention to oppose the Conservative party, to which he belongs, upon the questions of railway and tariff policy.

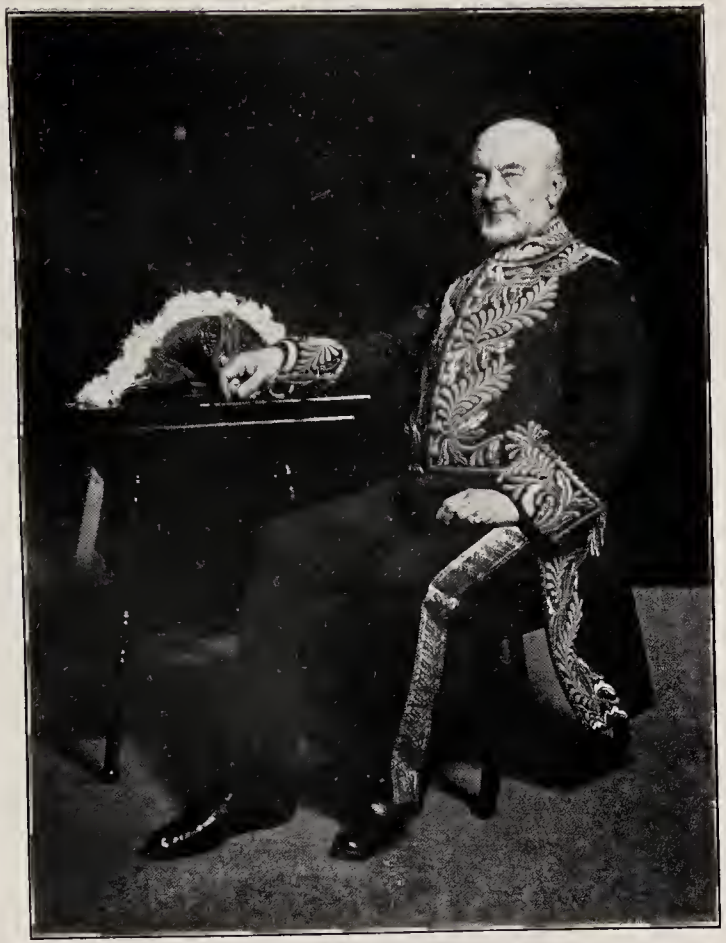
Dec 11.—The result of a ballot taken by the Montreal *Herald* as to who are "the ten greatest men in Canada" is given as follows : 1. Sir Wilfrid Laurier. 2. Lord Strathcona. 3. Sir Charles Tupper. 4. Sir Gilbert Parker. 5. Sir William Van Horne. 6. The Hon. Edward Blake. 7. Sir Percy Girouard. 8. Sir Louis Jetté. 9. The Hon. W. S. Fielding. 10. Lord Mount Stephen.

Dec. 16.—Mr. A. D. DeCelles, LIT.D., F.R.S.C., General Librarian of the Parliamentary Library, Ottawa, receives official notification of his appointment to the Legion of Honour, by the President of the French Republic.

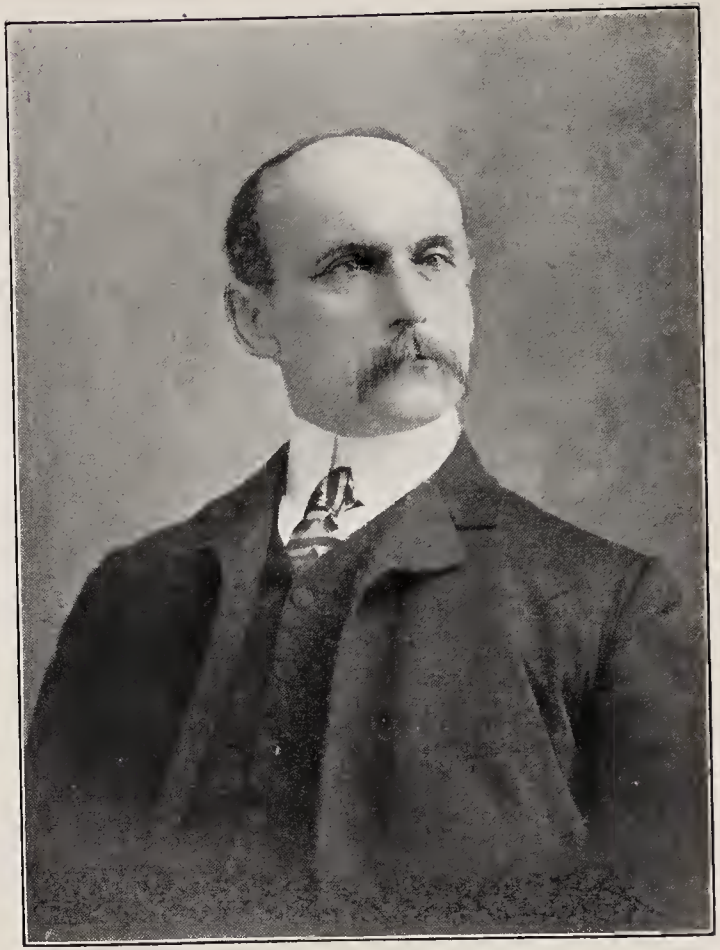
Dec. 17.—It is announced from Ottawa that Sir William Mulock has decided to raise the minimum salaries of Postmasters from $10 to $25 a year, and increase those upon a percentage basis by 10 per cent. The *Globe* makes the following comment: "To place the Post-office Department on a self-sustaining basis, and then to devote an aggregate of $300,000 towards augmenting the pay and allowances of country postmasters, without causing a dollar's additional outlay to the public, is something to be proud of."

APPOINTMENTS TO THE SENATE

Feb. 10th	James Hormidas Légris, M.P.	Louisville, Que.
March 12th	Thomas Coffey	London, Ont.
" "	Francis Theodore Frost	Ottawa, Ont.
" "	James Kirkpatrick Kerr, K.C.	Toronto, Ont.
March 17th	William Cameron Edwards, M.P.	Ottawa, Ont.
" "	Jules Tessier, M.P.P.	Quebec.
" "	Rufus Curry	Windsor, N.S.
April 20th	Lieut.-Col. James Domville, ex-M.P.	Rothesay, N.B.
April 24th	James Drummond McGregor	New Glasgow, N.S.
June 19th	Laurent Olivier David, F.R.S.C.	Montreal.
June 30th	Henry Joseph Cloran, B.C.L., K.C.	Montreal.



WILLIAM MORTIMER CLARK, K.C., LL.D.
Appointed Lieut.-Governor of Ontario, April 21st, 1903.



FREDERICK T. CONGDON, K.C.
Appointed Commissioner of the Yukon on March 2nd, 1903.

II.—PROVINCIAL POLITICAL AFFAIRS

Political Affairs in Ontario

Aside from the absorbing political issues, from a Provincial point of view, represented by the Gamey case and the Bye-elections, Ontario found 1903 an eventful year. The death of Sir Oliver Mowat caused general speculation as to his successor. It was understood that either Sir R. J. Cartwright or the Hon. R. W. Scott could have had the appointment and Senators L. Melvin Jones and J. K. Kerr, K.C., and Mr. S. H. Janes were mentioned for the office. On April 21st, however, it was announced that the position had been accepted by Mr. William Mortimer Clark, K.C., a well-known lawyer of Toronto and for many years a Senator of Toronto University and Chairman of the Board of Management of Knox College. He was, however, very slightly connected with politics and the appointment was a surprise—though a popular one. It was a case of the office seeking the man and it is seldom in Canadian politics that such general approval of an appointment is expressed as was then the case. The matter was very well summed up in the *Globe* of April 21st:

> The appointment comes with considerable surprise to the public, for Mr. Clark has been identified with professional, social, educational, and ecclesiastical life rather than with politics, and his name was not once mentioned among the conjectures of newspapers and politicians in connection with the distinguished position to which he has been appointed by the Crown. He is a gentleman of culture, dignity and refined tastes, given to hospitality and to the exercise of unostentatious benevolence. His academic training in Aberdeen and Edinburgh and his legal practice in Canada, together with his wide reading in important departments of literature and history, and his extensive travels in different parts of the world, amply equip him for the effective discharge of his executive and other public functions.

Meanwhile, an attempt to unseat Mr. D. Sutherland, the Conservative member for South Oxford, had resulted in a trial during January in which the member was retained in his seat and the case dismissed on March 6th, after some very scathing words from Mr. Justice W. P. R. Street as to the part taken in the matter by certain "machine" politicians. The other Trial Judge, the Hon. B. M. Britton, did not agree with Mr. Justice Street as to two points in the case alleging corrupt practice on the part of Mr. Sutherland through an agent. This difference of opinion, however, did not affect the dismissal of the petition. On March 3rd Mr. A. Miscampbell, Conservative member for Sault Ste. Marie, was unseated by Chief Justice Falconbridge and Mr. Justice Osler. On March 18th the petition against the return of Dr. Routledge, the Liberal member for East Middlesex, was dismissed by the Chief Justice and Mr. Justice Maclennan. On May 26th the petition in Lennox against Mr. T. G. Carscallen, Con-

servative, was dismissed by Justices Osler and Maclennan on the ground that no evidence was offered.

The Legislature was opened on March 10th by Chief Justice the Hon. Charles Moss, acting as Administrator of the Province during the illness of Sir Oliver Mowat. In his Speech reference was made to the Coronation and to the Inter-Provincial Conference at Quebec; to the increasing immigration and settlement of Crown Lands; to the fact that 5,000 certificates in connection with the land grants for military services had been issued and that an amendment to the Act would be presented enabling the more recent Contingents in South Africa to share in these grants; to the progress in mining and the fact that the past year's production had been the largest on record; to the activity of the lumber trade and the large revenue from Crown dues; to the exceptional prosperity in agriculture and the improved quality of dairy produce, bacon, beef and poultry; to the recent gifts to the Province by Mr. Hart A. Massey and Sir W. C. Macdonald; to the desirability of legislation regarding increased accommodation for the insane and the indigent and for the co-operation of the municipalities in the suppression of contagious diseases; to the improvements in the care of neglected and dependent children; to the development of technical education and manual training and the proposed extension of the Normal School term; to the increasing demand for electrical energy and the need of legislation as to the water-powers of the Provinces. A reference was made to the vote on the Liquor Act of 1902 as "an expression of the electors favouring further legislation with respect to the liquor traffic," and a measure with this end in view was promised.

Mr. W. A. Charlton was elected Speaker of the House. The Address was moved by Messrs. A. G. McKay and Valentine Stock and, after discussing and dealing with the Gamey charges, the Legislature adjourned on March 31st until April 21st, when the Address was passed without division. During the ensuing Session and up to the prorogation on June 27th, a good deal of legislation was carried through despite the interest felt in, and the prolonged debate over, the Gamey charges. A grant of $50,000 for a Women's Residence at Toronto University was passed as part of what the Premier termed a generous policy toward that institution; the various School Boards of Toronto were amalgamated into one system under a Board of Education; and the principle of cumulative voting was applied to the elections of this Board as well as to the newly constituted and elective Board of Control of the city. A most important measure was that of the Premier dealing with "the construction of municipal power works and the transmission, distribution and supply of electrical and other power and energy." It practically made provision for municipalities, singly or together, to enter into undertakings to develop or transmit Niagara power, and to sell it for municipal or industrial purposes.

Another measure provided for an optional return to the system of County Councils which prevailed six years before. The Provincial Secretary carried a measure which effected a much-needed reform in keeping the unfortunate poor out of overcrowded jails. It made a House of Refuge compulsory in every county. By another Bill a reform was effected in the internal arrangements of asylums; while the Attorney-General was responsible for legislation providing for a Committee in each electoral district to co-operate with the Superintendent of Neglected Children. An amendment to the Judicature Act created a new Division of the High Court and made the appointment of two new Judges necessary while changes were made in the Loan Corporation Act with a view to the better protection of shareholders and the public. Other legislation gave County Councils wider powers in the improvement of roads and the purchase of toll privileges; amended the Insurance Act in a technical direction and guarded, to some extent, against the abuse of the private savings bank business; made the land grants available to South Africa volunteers of 1902; limited the speed of automobiles to 10 miles per hour in cities and 15 miles an hour in the country; permitted municipalities to use voting machines; provided for the construction of works of improvement along the Upper Niagara River; set apart certain additional wild lands of the Crown for the use of Toronto University; authorized the Temiskaming Railway Commission to issue bonds not exceeding $25,000 per mile of the Temiskaming and Northern Railway Company and gave land grants of 20,000 acres per mile to the same Railway.

Several measures of importance were withdrawn or dropped including the Municipal Trading legislation, the increased taxation of railways measure proposed by Mr. H. J. Pettypiece, the Premier's Assessment Act, embodying the recommendations of the Commission of 1902, and the Hon. Mr. Latchford's bill providing for a Board of Arbitration and Conciliation in connection with Labour disputes. Mr. J. P. Downey was defeated in an attempt to repeal what is known as the Conmee Act. During the Session the Inter-Provincial Conference Resolutions of 1902 were approved (June 12th) on division; a Resolution proposed by Messrs. Whitney and Foy censuring the Crown Lands Department for an alleged private sale of a timber limit which was resold for $9,000 was rejected on the same day by 37 votes to 33; and the ratification of the Government's agreement with the Rainy Lake Pulp and Paper Company was carried on June 11th by 33 to 29 votes.

Another matter dealt with was the increase in the indemnity of members to $1,000 for the prolonged current Session—the Premier stating on June 13th that he thought $800 would be enough in future, while Mr. Whitney favoured $1,000 as a reasonable permanent sum. A vote of $5,000 was passed for a Statue to Sir Oliver Mowat, and $35,000 was voted for the Gamey investi-

gation. On May 13th an interesting discussion took place regarding the franchise. The Hon. Mr. Gibson declared himself "greatly opposed to any reduction of the qualification for voters." He thought that the Manhood Suffrage Act had done great harm to the country. "The larger part of the purchasable vote had been thus included."* Mr. Whitney thought corruption had existed before the Act came into force. "He had always been of the opinion that even the smallest property qualification was conducive to the best interests of the country."

The proceedings of the Public Accounts Committee of the Legislature created a good deal of discussion and comment during the year. Like almost everything politically they were turned into party fuel for the fire of the Gamey affair. An elaborate inquiry was made by the Committee into the grant of a certain timber limit—inspired by the belief of the Opposition that Capt. John Sullivan and, indirectly, the Gamey case, were connected with it. This limit in the Township of Rutherford, on Georgian Bay, was said to have been granted for a fee of $250 to a man named Shannon, who really represented Sullivan, and shortly afterwards sold it for $9,000. On May 13th the Hon. E. J. Davis, Commissioner of Crown Lands, informed the Committee and offered to swear to it, if desired, that "I have never known, directly or indirectly, personally or remotely, that anyone except Mr. Shannon, was interested in this purchase."

From the evidence subsequently given it appeared that the timber limit had been purchased by Mr. Thomas Charlton, of Simcoe, for $9,000 and that in the previous winter about $8,000 worth of timber had been cut from it. Mr. Charlton testified on May 19th, that he had bought the limit from Sullivan and had had no transaction with Shannon in the affair. He did not know that the deal would net him a profit as yet. Sullivan could not at first be got to attend as a witness and of this the House was duly informed on May 26th. On this date Shannon testified that he had simply lent his name to Mr. R. A. Grant, of a Toronto firm of lawyers, as he had done on previous occasions. He had paid nothing for the limit, received nothing for the transfer and did not know who had put the money up for the purchase. Two days later Colonel Matheson of the Opposition startled the Committee while criticizing some delay in the attendance of a witness, with a new and wholesale charge:

> I do not believe Sullivan got that money for his own use. I believe this Government, or members of it, got the greater portion of that money, and I further believe and say that I have a strong suspicion that the $3,000 paid to Gamey came out of that money.

The Hon. Mr. Davis replied by emphatically protesting against these general charges, by pointing out the efforts of the Committee to get at the truth and by demanding that Colonel

* NOTE—The *Globe*, May 14th, 1903.

Matheson should make good his assertion. Incidentally he made the following statement: "A great many things had been said in the press, and by members of the House about Sullivan being in the employ of the Crown Lands Department, but there was no truth in them, or rather, Sullivan had not been employed since he (Mr. Davis) had become Commissioner." On June 2nd and 3rd Sullivan appeared before the Committee and explained his delay by saying that he had wasted enough time over the Gamey inquiry. In his examination he testified that the $250 purchase money for the limit was put up by Mr. T. C. Taylor, a Clerk in the Crown Lands Department, and that the latter received $4,012.50 as his share in the profits of the sale to Mr. Charlton for $9,000. He gave some particulars of his own part in different bye-elections on behalf of the Government and expressed himself certain that the money paid to Taylor was not used for political purposes. On June 4th Mr. Taylor—who had, meanwhile, been suspended by the Minister of Crown Lands—swore that the affair was simply a business transaction on his part. He admitted that he had been in another deal with Sullivan which had brought him $1,900. This transaction was in the transfer of a limit in the Georgian Bay islands by Chew Bros. to the late Mr. Munro, M.P.P., and it also was investigated at length. The Committee finally reported to the House after holding 21 sittings between May 5th and June 11th. The Report was objected to by the Conservative members of the Committee and Colonel Matheson protested against alleged delays and difficulties put in the way of a proper investigation and declared, practically, that Taylor, Sullivan and the others were simply getting money for the Government's political purposes.

These statements the Hon. Mr. Davis strongly denied and went into an elaborate history of the various limits in question. He said that in the case of the Charlton purchase the latter would probably lose money; that the Department could not be responsible for subsequent sales of timber limits and that very often those sold by auction would be re-sold at a large profit; that the particular limit bought by Sullivan and Taylor had already been under license two or three times and the Department, therefore, had not put much value upon it; that Mr. Taylor had hitherto been a thorough and exemplary employee; that Colonel Matheson had failed to meet his challenge or bring a tittle of proof connecting the Government with these transactions; that the Department had afforded the Committee every possible facility in the way of documents, etc.; and that in cases of an annual business of $1,500,000 it would be hard to find anywhere a cleaner administration of affairs than his Department showed. Mr. Whitney and Mr. Gamey followed in a bitter denunciation of the Department and the Report was then accepted on division. A political incident of this stormy year was an address delivered at Toronto Junction on "Christian Citizenship," by Mr. W. E. Raney—hitherto known as

a Liberal—on June 22nd.* In it he denounced the alleged development of corruption in Ontario polities, discussed various phases of the eurrent situation and unsparingly eritieized the shorteomings whieh he believed to exist in the present Government. In this connection to some extent but, ehiefly, in eriticism of the Opposition whose eause in the Gamey matter it had so strongly championed, the *News* of August 14th said:

> So inured has the public of Ontario become to the reckless bandying of corruption charges, so familiar with the careless treatment by its newspapers and public men of matters that should be of the essence of honour, that it has almost lost its sensibility to political evils. Than this nothing could be worse for a party whose chief hope of power lies in convincing the electorate of the dishonour of its opponents. Yet how can they expect their charges to gain the attention of the electorate when they habitually use the strongest language of statement and denunciation about that which they have no intention of proving true.

On July 17th, Mr. J. F. Gross, the Liberal member for Welland, addressed a communication to the Mayor and Council of Niagara Falls charging the Hon. Mr. Harcourt, Minister of Eduеation, with having surreptitiously ehanged a Bill dealing with that Town (after consideration by a Committee) so as to favour a certain corporation in the matter of taxation to the extent of $18,000 a year for 20 years. Without going into details it may be said that the Toronto *News* entered into a eareful examination of the affair and published the result on October 17th and 19th. Upon the testimony of Messrs. St. John and J. J. Foy, especially, the particulars seemed to elear Mr. Harcourt of doing more than act upon the wishes and understanding of his Committee, as a whole.

An interesting discussion arose in November as to the eharaeter and use of a Fund which was elaimed to have been colleeted and employed by certain leading Conservatives (of whom Mr. J. W. Flavelle was one) with the view of seeing whether an acknowledged fund for legitimate party purposes could not be expended in a proper and, at the same time, useful manner. It was utilized in the Provincial elections of 1902 and the *News* dealt with it at length on November 14th, asserting that there was still a balance and that the money as a whole had been expended in a thoroughly honest way. The Liberal press elaimed that it had gone the way of all eampaign funds, and that the Conservative party in this respect was no better if not worse than their own. In the *Globe* of November 9th there appeared an editorial which was most widely commented upon and quoted—especially in the bye-elections and by the Opposition press and speakers. It dealt with the Provincial political situation and commenced by describing the Hon. Mr. Ross as the only man in the public life of Ontario, and in either party, to whom the people could turn for high and effieient leadership. It proceeded to admit that beeause of "electoral corruption here and the prominence of party heelers

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Note—Published in full by the *News* of June 30th.

there," Ontario Liberalism had lost something of its old-time self-respect and public-spirited enthusiasm. As to the Opposition Mr. Whitney's leadership had been distinguished only by a "bluster and bungling," which could only be accounted for on the score of constitutional incapacity. Then came the much-quoted paragraph:

> There is but one thing open to the Liberals of Ontario, and that thing is their first and most pressing duty. The barnacles on the ship must be treated with an iron hand. The interests of the Liberal party are superior to those of any individual, and the interests of the Province are supreme over all. Half measures will not avail. Neither the Liberal party nor the Province owes to any man any position or reward not earned by honest and efficient public service.

Meanwhile, the contests in North York between the Hon. E. J. Davis and Mr. T. Herbert Lennox at the general elections of 1902 and in a subsequent bye-election had been brought before the Courts and, in December, caused a prolonged examination of the Minister of Crown Lands in connection with alleged irregularities by party organizers in his riding. His evidence may be summarized very briefly. He declared—*News* report December 19th—that he had resigned after the general election merely to avoid the bitterness and expense of fighting a protest, that he had no inside knowledge of how any person voted in the general election, that during the bye-election he had canvassed a few of his own employees, that he had nothing to do with the organization of the riding or with the organizer, or with the election accounts further than issuing cheques covering them, and that he had cautioned all his workers to conduct a thoroughly clean campaign. He had no knowledge of any irregularities having taken place. It was claimed by the Opposition that these elections had been corruptly run by outside paid organizers. At the close of the year protests in this constituency, against A. G. McKay in North Grey, John Brown in North Perth, A. M. Little in North Norfolk, and C. N. Smith in Sault Ste. Marie (Liberals), and against Hugh Clark in Centre Bruce and A. A. Mahaffy in Muskoka (Conservatives) were still standing.

On December 30th it was announced that the Legislature was called to meet on January 14th and the Premier informed the *Globe* that an early Session was needed because of the appropriations being only voted up to the end of the year. It was also desirable in order to obtain legislation for the commencement of the construction on the Temiskaming Railway. The Opposition press at once stated that this action was taken in order to postpone the election trials—which could not be held while the Legislature was in Session. It was pointed out in reply that four of these petitions had been standing for over six months and had not been pressed by the Conservative party. Mr. A. G. McKay, K.C., the Liberal member for North Grey, spoke to the *News* on December 31st as follows upon this point: "You may say that, in my opinion, the calling of an early Session is in accordance with the

freely expressed wish of legislators in attendance last Session. But little attention should be paid to petitioners who trifle with election protests and their oaths. The petitioners who last February (I refer to those in the three Norths) solemnly pledged their oaths that they had reason to believe, and did believe their charges true, long months since, ought to have attempted to make good their charges, and should not recently have been begging for further time. The fault is absolutely theirs that the trials did not take place months ago." It may be added that, through the death of Mr. A. Pattullo, M.P.P., in December, the Government at the close of the year had a majority of three.

The Gamey Charges in the Ontario Legislature

No more startling and sensational case can be found in Canadian political annals than that which developed out of charges submitted to the Legislature of Ontario, on March 11th, 1903, by Mr. Robert Roswell Gamey, member for Manitoulin Island. The excitement amongst the members of both parties in the House and out of it; the narrow majority held by the Government and the Opposition hope of at last defeating them; the intense interest felt by the general public and the sensational headings and treatment of the affair by the press; the possibility of the entire Government being implicated in the alleged acts of corruption; and the secrecy with which the whole matter had been handled by Mr. Gamey prior to the oratorical explosion in the House; all combined to make the subject unique in the degree of personal interest felt in it by the people of Ontario and by very many outside of the Province.

Up to the time of making his charges, Mr. Gamey had gone through certain experiences which were known to the public, or at least to that portion of it interested in current politics. Elected as a straight Conservative at the general elections of May 29th, 1902, by a majority of 339, he was at first known as a supporter of the Opposition. On January 30th, 1903, however, an interview appeared in the *Globe*, in which he expressed his belief that the Government was practically sustained, despite their small majority, and would be able to continue in office. He then continued as follows: "I believe that with a strong following the Ross Government will carry out their policy of developing New Ontario. I am chiefly interested in that; for my own constituency must get a big share of the benefit and, in this respect, Manitoulin is my politics, and I feel that I have a right to do the best I can for its welfare. And I feel that I can do this best by helping the Government with an independent support."

The phrase, "Manitoulin is my politics," in this letter, received wide currency, and was much commented upon in the press and elsewhere. The discussion regarding this change of party allegiance was rife with insinuation as to its cause, and it was understood that personal relations were not for some time very pleasant between Mr. Gamey and his late Leader, or afterwards with

many of his Conservative constituents. It was the second day of the Session of the new Legislature, and the Address had been duly moved. In the ordinary course of procedure, Mr. Whitney would have followed in a reply to the eulogistic speeches just made about the Government. But before he could rise, Mr. Gamey had done so, and amidst surprise, silence and curiosity mingled, he proceeded to ask the indulgence of the House, and to commence a narrative which was listened to for over an hour with intense interest by every member present. His statements and charges may be briefly summarized here:

1. That about August 7th, 1902, Capt. John Sullivan, met him at Allandale, advised him that the Government intended to push the protest against his election, and had sufficient proof to disqualify. He urged him to resign.

2. That upon reaching Toronto, Frank Sullivan—a son of the above and an employee of the Public Works Department—declared that the Government must have more support in the House, and that $5,000 might be made if he would change his colours.

3. That about August 12th, Frank Sullivan and "a prominent Liberal lawyer" afterwards known to be Mr. R. A. Grant, met him and told him of a "stock company proposition" by which he could make $3,000 in six weeks and $2,000 after the first Session of the House; and on the same day Mr. D. A. Jones, of Beeton, a Liberal worker, pressed him to turn over.

4. That he then consulted his friend, J. R. McGregor, of Gore Bay, Secretary of the Manitoulin Conservative Association, and they decided to go on with the matter, obtain evidence which would convict some one in the Government, and then make the thing public on the floor of the Legislature.

5. That on September 9th, after various discussions with the two Sullivans and the making of an agreement with them that he was to receive $3,000 down and $2,000 after the Session, he was taken to the office of the Hon. J. R. Stratton, Provincial Secretary, and there discussed an arrangement by which, in return for his supporting the Government, he was to receive "a consideration," the patronage of his Riding, and any help which could be given in conciliating his party supporters.

6. That on the same occasion he was shown a draft of the letter which he signed later in the day, pledging his support to the Government and declaring that he had received no value or consideration for doing so; and that on the same day Mr. Stratton instructed Mr. A. B. Aylesworth, K.C., to arrange a withdrawal of the election protest against Gamey.

7. That on the succeeding day he went by appointment to Hon. Mr. Stratton's Office, accompanied by Frank Sullivan, left the latter with the Minister, and then retired to the smoking room, where a large envelope was presently brought and laid on the table. It contained $3,000 in Ontario Bank bills, of which he gave one-half to Sullivan.

8. That McGregor was kept advised of these and other details, and that various appointments were subsequently made in Manitoulin by the Government upon his recommendation.

9. That a letter similar to the one mentioned above was typewritten, signed at Gore Bay, and mailed to the Premier on October 30th by previous arrangement with Mr. Stratton.

10. That the *Globe* interview already quoted from was prepared in Mr. Stratton's Office, was given to Mr. Gamey in the presence of Sullivan for revision, and was duly returned to the Minister shortly afterwards, and given to the *Globe* on the evening of January 29th. That, after leaving Mr. Stratton's Office on this occasion, and in response to his own demand, $1,000 more was handed Gamey by Sullivan.

11. That on March 9th he arranged for Frank Sullivan to be at the Crossin Piano Works, where he had a long conversation with him on these matters

in a room where three young men, shorthand writers, had previously been concealed.

Mr. Gamey read various letters in the course of his speech connected with the above charges and concluded by declaring that this had been the only method of reaching the Government for offences which the Opposition believed them to have been guilty of before but which they could never prove. "I am going to ask the House to do just what it likes with me. I have done the best I could, honestly and conscientiously, and the Lord knows it has been a hard task to do it." He then walked across the floor of the Legislature and handed Mr. Whitney the documents he had read and a package of money which he stated was part of that given him for his change of political allegiance. For a moment there was expectancy and hesitation in the air of the House and then the Premier rose, amidst suppressed excitement, and made the following brief statement: "I am assured by my colleague that the charges affecting his honour are untrue. So much, however, has been said by the Hon. member for Manitoulin that it becomes us to take steps to make an early and a thorough investigation. That investigation shall be made at once, under the rules of the House, either by a Special Committee to be appointed by the House for that purpose, or by the Committee on Privileges and Elections, in the usual way." Mr. Whitney also spoke briefly. The matter, he said, was one to be considered and referred to with the greatest possible seriousness:

> If things have come to such a pass in the Province of Ontario as these assertions allege, then the people of Ontario will demand that the investigation shall be such that even the Ontario Government will not dare to stand any longer in the way of purifying the affairs of this country. God forbid that I should say one word to prejudice either of the Hon. gentlemen involved. But they will find that the time has come when the people will not permit the Government to allow the scoundrels who steal and burn the ballots to be protected by the laws of this country; that the people will go no further in that, and that in the future they will demand that justice shall be done."

Following his speech and the adjournment Mr. Gamey was personally welcomed back to his party by many who had been unable to find words adequate to express their opinion of him during the past few months. Interviewed by the *Mail and Empire* on the following day the Hon. Mr. Stratton vigorously denied the story so far as corrupt intent or action was concerned, while Mr. J. R. McGregor confirmed everything connected with himself which had been said by Mr. Gamey and assumed equal responsibility with him for the method of action which they had jointly agreed upon and followed out. The public interest in the charges was soon at fever heat and the press of the Province was vigorous in its demand for a full and impartial investigation; though it very soon differed as to the method. The *Globe* of the next morning expressed a preference for a Royal Commission of Judges but

believed it to be "the first duty of the Premier and his followers, as we believe it will be their most earnest desire, to see that the real issue is not obscured or evaded."

Method of the Proposed Inquiry

When the Legislature met again (March 12th) the Hon. Mr. Ross at once addressed the House. He referred to the unexpected, unusual and serious nature of the charges which had been made; expressed entire faith in his colleague, the Provincial Secretary—"unbounded confidence in his honour, in his integrity and in his fidelity to his oath of office and to the serious responsibility of his position as a member of the Government;" stated that he had laid the matter before the Lieut.-Governor and that it was proposed to proceed by means of a Royal Commission.

The Premier expressed his preference for this method over that of a Committee of the Legislature very strongly. "The Committee of Privileges and Elections is necessarily a Committee composed of a majority of supporters of the Government and any Special Committee that would be given would be similarly composed. The investigation, of course, would be open. The Committee have the power to swear witnesses, send for persons, papers, and so forth. They have large powers, but not larger powers than the statute enables us to give a Commission. No matter what their finding might be, if they exculpated the Provincial Secretary, it would be said to be a partisan finding." A Royal Commission was better, in his opinion, because of the high character of the Judges; because of the confidence the people would have in their decision; because it was the most expeditious way of getting at useful results; because the findings would command the confidence of the country.

After citing as precedents the Royal Commission regarding the Canadian Pacific Railway scandal in 1873 and those inquiring into the Legislative charges of 1884 and the Caron charges of a later day at Ottawa, Mr. Ross said that he would shortly propose adjournment for three weeks to enable the Commission to do its work and report to the House. Until this matter was disposed of neither members of the House nor of the Government would feel comfortable in the performance of their duties. As to himself and his colleagues: "I want to say to the country that unless our character will stand clear of reproach, above suspicion, vindicated of all such insinuations and charges as have been brought against us by the Hon. member for Manitoulin, then we do not want any longer to govern this country. We will govern this country as honourable men, with characters unimpeached, or we shall not govern it at all."

The Premier concluded by stating that Counsel on both sides would be paid their expenses, as well as all witnesses, and by moving a formal Address to the Lieut.-Governor asking for the appointment of a Commission "to inquire into and investigate the charges of bribery set forth in the statement made to this

Honourable House by Mr. Robert R. Gamey, member for the electoral district of Manitoulin, on the 11th day of March last, and all matters and things which in the judgment of the Commissioners relate thereto or affect the same." There were to be two Commissioners appointed from the Supreme or High Courts of the Province and they were to have all the powers given in the Ontario "Act respecting inquiries concerning public matters." The Leader of the Opposition followed. "It seems, Sir," said he in opening, "that the accused parties are to choose the Tribunal." It was obvious, he thought, that in the opinion of the Government there was "no safety for them from punishment except that the dice be loaded, except that the Tribunal chosen to try them shall be nominated by themselves." It was to be a prosecution of the Government by the Government. He took the line that Mr. Stratton was not the only one of those charged; that the other members of the Government were involved with him; that, directly or indirectly, all were guilty. He deprecated the long adjournment as putting uncontrolled power in the hands of a Government in whom, he believed, neither the Legislature nor the people any longer had confidence. He reviewed at length the precedents at Ottawa and Toronto as between the appointment of a Select Committee of the House, which he demanded, and the course which the Government proposed to take.

As to the appointment of Judges Mr. Whitney did not mince his words. He spoke highly of their general and individual reputation but did not believe it was desirable to bring men whose position made self-defence impossible down into what was practically the political arena. "I tell my friend here, and I hope my words will go through the length and breadth of this Province that there are Judges on the High Court Bench of Ontario whose relations to the Government, through drawing salaries from this Government, should prevent those Judges from accepting any such position and I believe they will." Lieut.-Col. the Hon. J. M. Gibson replied to the Opposition Leader. He first defended the Judges as high-minded, honourable men who had for years been removed from any political sphere; deprecated strongly the use of such a phrase in this connection as "loading the dice;" claimed that in not appointing a Committee of the House they were following the wise practice accepted in the removal of election cases from trial by a Legislative Committee; declared that the previous speaker had shown signal partisanship and lack of taste in his address; expressed the opinion that the House would do little in the next three weeks if it did sit; and regretted the flinging broadcast of charges of a general nature against members of the Government who could not be affected if everything Mr. Gamey had stated was found to be true.

A few remarks followed from Mr. Donald Sutherland of North Oxford, the Conservative member who had previously claimed to have been "approached" from the Government, and

whose inability to prove his statements had been one of Mr. Gamey's excuses for his tortuous course. He deprecated hasty adjournment because of other charges which might be made against the Government. "I myself have been placed in a position similar to Mr. Gamey's. If his statements are true he deserves the thanks of the people. In no other way could he have exposed the plots against him, and I admire the spirit he has shown." Mr. Sutherland declared that three prominent Liberals had made him offers while others had hinted at the same thing. After describing the efforts made to unseat him, with the bribery and perjury resorted to by certain party hangers-on and subsequently proven at his election trial, Mr. Sutherland gave way on the succeeding day to Dr. J. O. Reaume of North Essex who alleged that a Government supporter in the House—Mr. John Lee who afterwards declared it to have been a joke—had promised him the Speakership if he would change his political allegiance. Mr. H. J. Pettypiece defended the Government in a short speech.

On March 16th Mr. J. W. St. John resumed the debate on the Conservative side and declared the charges to really involve four Ministers while the method of investigation was simply a "side-tracking of truth." His statement that the man most implicated—the Provincial Secretary—still held his seat as a Cabinet Minister brought a response from Mr. Stratton: "I wish to say for the benefit of the House that I tendered my resignation to the Premier." In reply to a further inquiry Mr. Ross stated that the resignation had not been accepted and the speaker thereupon declared the whole Government responsible as against the charges. On the following day Mr. E. J. B. Pense and Mr. M. G. Cameron, K.C., spoke for the Government and Messrs. I. B. Lucas and J. P. Downey against.

The Terms of the Royal Commission

Meanwhile, the preparation of the instructions for the proposed Royal Commission had been under way. The Government had called in Messrs. A. B. Aylesworth, K.C., E. F. B. Johnson, K.C., and W. R. Riddell, K.C., to assist them in the legal part of the work * and at the opening of the House, on March 18th, the Premier announced that the Hon. Sir John Alexander Boyd, K.C.M.G., Chancellor of Ontario and the Hon. William Glenholme Falconbridge, Chief Justice of the Court of King's Bench, had consented to act as Commissioners. The authority and instructions of the Commission were then read. The document recited briefly and specifically two charges against Mr. Stratton: (1) That he "did certain corrupt and unlawful acts by attempting to bribe the said Robert Roswell Gamey by the payment to him of certain moneys" to vote for and support the Government of which the said James Robert Stratton is now and was at the said time a member; (2) that by the offer of patronage he, the said J. R. Stratton, did endeavour to bribe and corruptly induce and influence the said

* NOTE—The Toronto *News*, March 19th.

R. R. Gamey, as such member, to vote for and support the said Government."

It then recited the terms of the Legislative Resolution and proceeded to give the Commissioners "full power and authority to proceed with all reasonable despatch to hear, inquire into and investigate the said charges" and to report the result within a reasonable time with all evidence, documents, etc., that might be given, produced and laid before them touching the charges. After conferring the power to hear and examine witnesses under oath and to investigate any further charges arising out of or connected with these, which might be preferred in writing, by any member of the Legislature against any member of the Government, the instructions proceeded:

> And we do hereby confer on you all the powers, rights and privileges concerning the hearing and investigation of the said charges, the making of the said inquiry, the execution of this Commission, the examination of witnesses, the taking of evidence, and the production of documents and things, which are possessed by or conferred on a Judge in the trial of causes either by common law or by statute; it being intended that you, the said Commissioners, shall have the same rights, powers and privileges as Judges of the High Court have in the trial of causes and in respect of all matters incidental thereto. And we direct that upon the said inquiry no witness shall be excused from answering any question upon the ground that the answer may tend to criminate him, but that no evidence given by any person or witness before you shall be receivable in evidence against him in any criminal trial or other criminal proceeding against him hereafter taking place, other than a prosecution for perjury in giving such evidence.

In a few remarks following the presentation of these instructions Mr. Whitney said that it was clear that "the Government are determined to hamper the investigation." He inquired why only a member of the Legislature should be permitted to make a charge against any member of the Government and why the charge should have to be in writing. The debate on the reference of the matter to a Royal Commission was then continued by Messrs. T. H. Preston, Hugh Clark, W. H. Hoyle, Andrew Pattullo, F. G. McDiarmid and Dr. H. G. Lackner. The speakers on March 19th were Messrs. H. Carscallen, K.C., Samuel Clarke and W. J. Hanna. On the following day Mr. J. G. Gross and Dr. Beattie Nesbitt spoke; on March 23rd Messrs. G. P. Graham and Thomas Crawford were the speakers. Mr. J. S. Duff on March 24th was followed by an important speech from Mr. J. J. Foy, K.C., and the moving of a Resolution briefly reciting the charges; bringing in the names of Capt. John Sullivan, D. A. Jones and Frank Sullivan as those who were connected with the act of bribery; declaring the Hon. Mr. Ross, the Hon. J. M. Gibson, the Hon. R. Harcourt, the Hon. E. J. Davis, and the Hon. F. R. Latchford to be implicated in the statements and allegations of Mr. Gamey; and demanding an investigation by a Committee of the House. The further debate on the amendment was taken part in by Mr. A. G. McKay, Lieut.-Col. A. J. Matheson, Dr. G. A. Routledge, Dr.

W. A. Willoughby, Messrs. J. J. Preston, M. B. Morrison, J. W. Holmes, Dr. John Barr, Dr. R. A. Pyne, Messrs. John Lee, J. W. St. John, J. A. Auld, F. E. A. Evanturel, W. R. Smyth, Dr. J. O. Reaume, the Hon. R. Harcourt, Mr. W. Rickard and Dr. E. Jessop.

This historic debate was closed on March 27th by speeches from the Premier and Mr. Whitney and a brief statement from Mr. Gamey. The Hon. Mr. Ross made a vigorous speech in which his language was not at all mild in describing the "new Toryism" of slander and scandal which had arisen on the ruins of the old. He repeated several precedents for the terms and character of the Inquiry and asked why it should be assumed that Mr. Stratton was guilty before he was tried! "Has the Provincial Secretary no rights that this House is bound to respect? Has this Government no rights that Hon. gentlemen are bound to respect? We admit the right of the member for Manitoulin to make charges, but he should have been bolder and placed them in the hands of the Speaker." He concluded with an eloquent appeal for consideration in a matter where the Government were leaving their fate and their future in the hands of the House and to a jury of the whole people.

Mr. Whitney spoke with vehemence and at length. He claimed that as the Government were the accused they should not in justice and honour vote upon their own case; declared that in directing the manner of their own trial the Government had been playing with loaded dice; described the Commission as having such narrow powers that it could only inquire into the acts of the Provincial Secretary; and described the "new Liberalism" as a renunciation of old principles, a hampering of investigations into wrongdoing, the levying for campaign funds upon friends who received favours in return; and charged the Government with a desperate clinging to power because of the revelations which might ensue. Mr. Gamey followed in a brief statement which he read to the House and which, after declaring that his original story was told with a full sense of his responsibility as a member of the House, proceeded as follows:

> I made my statement. This statement involved a charge of conspiracy on the part of members of the Government—a conspiracy on the part of these gentlemen with the other persons referred to in my statement, and others, to get me to leave my party and throw in my lot with the Liberals. That is my charge. It so stands before this House. Some of the accused now desire to alter my charge, and to present it as being made against the Hon. Mr. Stratton alone. This is not my charge, and I do not propose that men against whom my charge has been made shall alter it and put into my mouth a charge different from that I made to this House—the charge that I made upon my responsibility as a member of this House. I have weighed and realized fully what this responsibility is, and I am willing to accept it. I am prepared to prove this charge before a Committee of this House.

Mr. Foy's Resolution was then voted upon and rejected by 50 to 45 votes. Messrs. H. H. Carnegie and E. A. Little then moved

another Opposition Resolution asking the Lieut.-Governor to himself name the Commissioners in this Inquiry and frame the Commission and its terms without consultation with, or reference to, the members of his Executive Council. This was defeated by a similar vote and the main motion for the appointment of a Royal Commission passed on the same division. There were no pairs. Further discussion of the subject followed upon the provisions of the Act respecting the taking of evidence before the Commission. On March 31st Mr. Gamey moved that his statement of three days before should constitute a continuation and confirmation of his charges on March 11th. This was lost, after a keen discussion, by 46 to 41 votes, although the Attorney-General intimated that the matter would be included in the consideration of the subject. Another amendment, by Messrs. H. Carscallen and W. Beatty, declaring that the Commission should not report any finding or decision of fact but simply give the proceedings and evidence was also lost. An amendment proposed by Mr. J. W. St. John and Dr. R. A. Pyne urging that no evidence tendered in support of the charges should be rejected by the Commission except for reasons publicly stated and concurred in by both Commissioners was also rejected before the Act finally passed. Following this the Legislature adjourned for three weeks.

Opinions of the Press

The Toronto newspapers followed this debate with keen and critical closeness. The leading Liberal organ—the *Globe*—dealt vigorously on March 14th with the party spirit shown in the Legislature. "One would have thought that a sense of the humiliation and shame involved in what must eventually be a tragedy to either the accuser or the accused would have held back legislators from the insincere and vulgar declamation of the hustings." Two days later it meted out some strong language to the papers which had been prejudging the case and denouncing Mr. Stratton. "Whether he (Mr. Gamey) be a conspirator or the Provincial Secretary a criminal remains to be seen under the steady and impartial light of judicial investigation."

The terms of the Commission (March 19th) were thought to be "as broad and the scope of the inquiry as wide as either justice or morality demands." The Judges had discretionary powers in examining all relevant matters and those chosen were "jurists of such eminent ability and unexceptional personal character that public confidence in their conduct as Commissioners and in the judgment they report will be complete." Neither of them at any time had been active politicians and they had had long experience in dealing with controverted election cases. On March 28th the subject was reviewed again and the Commission described as "the widest in its scope ever issued in Canada." The elaborate and strong anti-Government editorials of the Toronto *News* during this period were of interest as being written or inspired by Mr. J. S. Willison who not long before was Editor of

the *Globe*. On March 12th the former paper made the following comment upon the initial stage of the matter and from it the subsequent tone can be easily adduced:

> There is not in the history of Canadian politics a more shameful and sordid story than that which has just been told in the Legislature. It is a pitiful revelation of what men will do in the desperate game of party politics. A Minister of the Crown, sworn in the faithful discharge of great and responsible duties under our system of Government, is hopelessly involved in a vulgar conspiracy to purchase a political opponent; and the Government of which he is a member is irretrievably involved in the miserable business.

On the following day it supported Mr. Whitney's demand for an investigation by the Legislature rather than by a Commission and on March 14th asked if those features of Mr. Gamey's revelation which admitted of no dispute, "do not condemn the Provincial Secretary, discredit the Government and stamp with disgrace the political methods which we seem willing to tolerate in Ontario." As to the Instructions to the Royal Commission the *News* expressed the view (March 19th) that the scope of inquiry was strictly limited—so much so as "to justify grave doubts as to its effectiveness"—and claimed that these kind of Commissions in political cases were notoriously ineffective.

The position of the *Mail and Empire* was an undisguised and insistent demand that Mr. Stratton should resign his office; that all British precedent was against his holding the position and helping to control the trial of his own case; that the Government dare not let him go because their own fall would follow; that the only fair method of trial was by a Select Committee of the House; that the Inquiry was really restricted to Mr. Stratton and limited in its scope by the action of the Government; that the Judges should not be brought into such political cases at all. The Toronto *Telegram* was vigorous in its championship of Mr. R. R. Gamey as a man who had suffered much for his party and his Province and had done much in this matter to purify the politics of Canada as a whole. The *Star* defended the course of the Government throughout and maintained strongly that there was no ground (March 24th) for a Legislative investigation. The charges were too specific, too direct to make that necessary. "Mr. Gamey has left us not an investigation of the matter, but a trial of whether those acts were done substantially as he had charged; and the function of the Tribunal will be precisely those which our Judges are accustomed to exercise."

The Toronto *World* maintained the strongest Opposition view of the affair. It denounced Mr. Stratton for voting upon his own case in the Legislature and, on April 28th, appealed to the new Lieut.-Governor to act in the matter and to call upon his Ministers for an explanation. It is impossible here to quote the country press or that of the cities and towns outside of Toronto; to say nothing of the public men who expressed opinions upon the sub-

ject. It might be mentioned, however, that Mr. Goldwin Smith early in the day (March 14th) took the ground that the Government were involved, in the sense of public suspicion being aroused, and that a Committee was better than a Commission.

Proceedings of the Royal Commission

The investigation opened before Mr. Chancellor Boyd and Chief Justice Falconbridge in the Toronto Court House on April 3rd. The Hon. S. H. Blake, K.C., Mr. C. H. Ritchie, K.C., and Mr. W. D. McPherson appeared as Counsel for the accuser and Messrs. E. F. B. Johnson, K.C., W. R. Riddell, K.C., and J. M. McEvoy for the accused. As private Counsel during a part of the inquiry Mr. Walter Warwick, K.C., and Mr. C. A. Moss were retained by the Ontario Bank and Mr. E. E. A. DuVernet by Mr. Gamey. After the reading of the Commission Messrs. Blake and McPherson stated it to be out of the question to immediately examine all the papers in the case, or to procure all the witnesses from Manitoulin, and succeeded in procuring an adjournment until April 13th.

On April 6th Mr. McPherson and Mr. McEvoy filed their affidavits regarding the case with the Registrar of the Commission together with the lengthy schedules as to documents, etc. Some correspondence between Messrs. Stratton and Gibson and Gamey was put in as evidence; including a number of letters regarding appointments asked for by Mr. Gamey as a part of the local patronage of Manitoulin. Two days later Mr. Gamey's direct charges were filed covering at length not only the bribery case but the alleged connection of all the Ministers with the matter and the existence of a large Liberal election fund for the alleged purpose—amongst other things—of bribing Opposition members to support the Government.

The proceedings of the Commission were resumed on April 13th and thence continued with certain interruptions until May 23rd. The inquiry occupied altogether 27 days, involved the hearing and examination of 119 witnesses and the preparation and ultimate publication of 3,512 pages of evidence, with 92 exhibits connected with the case. The Report which includes these latter items and the speeches of Counsel, as well as the opinion of the Judges, is a very bulky volume. It is impossible here to even summarize the evidence, but some reference must be made to the curious departure of Mr. Gamey to Buffalo during the course of the trial. He arrived there on April 19th and his absence was one of the sensational incidents of this most spectacular affair. It was at first not known where he was and speculation of every kind was rife. The occurrence was just after the discovery before the Commission of his having copied a deposit slip belonging to the Ontario Bank, in connection with his account, and returned the copy instead of the original. Rumour had it that he was afraid of prosecution for forgery; he contended that he had gone away over Sunday for a rest. However that may be, the Hon. Mr. Blake

THE HON. SIR JOHN A. BOYD, K.C.M.G.
Chancellor of Ontario.

THE HON. WILLIAM GLENHOLME FALCONBRIDGE
Chief Justice of the Court of King's Bench.

The Royal Commission of Inquiry into the Gamey Charges.

informed the Commissioners on April 21st, that, subject to their wishes, he and his colleagues were willing to throw up their briefs in the case. On the following day Mr. Gamey was back, after some skirmishing with his opponents in the way of telegrams, and the only result of the incident was a decided lowering of his crest in popular opinion and an increased tendency to distrust his evidence amongst those concerned with the case.

The other sensational incident of the trial was the sworn evidence by Mr. M. O. Hammond, the reporter who had been given the original interview for the *Globe* which Mr. Gamey and Mr. Stratton had agreed upon, and who had discussed the interview with both gentlemen. It was on May 15th that, in answer to a question from Mr. McPherson as to whether Mr. Stratton had at any time asked him to suppress his knowledge regarding the interview he replied as follows: "We had a discussion about what took place a few days after Mr. Gamey made his charge in the House. He asked me my recollection of what took place on the day of the interview or the day before. I recalled some of the things that I remembered and he said then that he did not remember some of the things I had mentioned. And the next day he said that I was right." Mr. Hammond then prepared, by request, his statement for Mr. Johnson, K.C., and then, a few days later he met Mr. Stratton in the corridor of the House. "We walked along together and he asked me if I could not forget some of the things. I do not know what he referred to in particular."

The next important development in the case was the attempt to trace where the money which the accuser undoubtedly had received came from. Various efforts were made to trace it and the press, from the *Globe* to the smallest country sheet, reiterated the inquiry: "Where did the money come from?" One limitation the Commissioners put upon the matter, however. They would not investigate the existence or character of an alleged campaign fund, and this action was supported by the *Globe* of May 5th on the following grounds: "It has absolutely nothing to do with the Gamey investigation, it was not alluded to by the member for Manitoulin in his indictment, it formed no part of the reference, and was not covered by the instructions of Parliament to the Royal Commission." On May 21st the Hon. S. H. Blake, K.C., presented his argument to the Court at the conclusion of the investigation. For five hours he reviewed the case from the standpoint of one who believed the Provincial Secretary guilty and the Government in league with men and interests intent upon maintaining in Ontario a reign of dishonour and corruption. He was followed by Mr. E. F. B. Johnson, K.C., on the ensuing day, in a close analysis of the evidence, a vigorous denunciation of the character and objects of Mr. Gamey and a concluding tribute to the life and work of the Premier. Mr. Blake replied on May 23rd and then the Commission adjourned, with its work of hearing and investigation concluded.

The Report of the Royal Commission

On June 4th the anxiously awaited Report of the Royal Commission was presented to the Legislature by the Prime Minister immediately after its opening. After recapitulating the charges, instructions, and other preliminary data the Commissioners proceeded to state that under the enlarged area of inquiry caused by the inclusion of Mr. Gamey's statement of March 27th in the Instructions the "greatest latitude of investigation" had been permitted. "The main controversy turns upon the alleged bribery by the payment and receipt of money as to which there is a great mass of testimony involved in considerable contradiction. In regard to the Provincial Secretary and his connection with Mr. Gamey there is evidence which in the case of an ordinary trial would be submitted to the country, represented by the jury, upon such directions from the Court as might seem suitable in the circumstances." To this method the Commissioners had "approximated" their treatment of the case. Throughout the analysis of the evidence which followed * and which cannot, of course, be transcribed here, there was a distinct disinclination on the part of the Judges to accept Mr. Gamey's word and an expressed willingness to accept that of Mr. Stratton, Mr. R. A. Grant, Dr. Smithers, and others in preference.

Referring to Mr. Gamey's personal denials as to having received anything from the Government for his change of party allegiance—preceding the making of the charges—the Commissioners said: "It is a wholesome, working rule of common application in legal proceedings to hold that a man who has affirmed a matter by writing under his hand, freely and deliberately given, shall not be held to disaffirm it by his own uncorroborated oath to the contrary." Upon another branch of the inquiry the Commissioners said: "Eliminate the element of corrupt payment of money and consider whether, apart from that, any imputation can be cast upon the Provincial Secretary. The whole trend of the evidence (apart from the statement of Mr. Gamey) goes to show that the matter of his supporting the Government in power was first broached by him and stated as a settled thing on which he had long made up his mind." Upon the "can you forget" episode the Commissioners stated that "it seems unwarrantable to assign to it such exaggerated import as to overshadow the whole body of substantial evidence in favour of the Minister and against the Member." Upon the central point in the Inquiry the Commissioners reported as follows:

> The conduct and memory of Mr. Gamey, as to these bribe moneys, detract from his credibility. At a momentous point of his life and within a few months of the occurrence he is uncertain as to the day when, and the person from whom, the $3,000 came. Having conferred with prominent men in his party (as he says) and arranged his methods, he employs his share, $1500, in business, as if it were a legitimate transaction. He

* NOTE—Pages 21-46, Official Report of the Royal Commission *re* Gamey Charges.

makes no mention in his statement to the House of how he came into possession of $1,200, part of the other moiety, said to be received by Sullivan, and of which he says $900 was paid into the Crossin business. But, when this is discovered by search in the Crossin books, the two pages containing entries for the 10th and 11th of September disappear, not by the hands of Mr. Crossin—and Mr. Gamey is the only other who had access to them.

Then follows the procuring of the deposit slip from the Bank by Mr. Gamey and its disappearance; then the explanation given to the reporters at Buffalo, with a view to publication, that this $900 was collected during the summer in Manitoulin Island; and the final statement under oath that it was part of a loan of $1,200 from Frank Sullivan. The evidence on the other side precludes the conclusion that this $3,000 was received by Mr. Gamey from the Provincial Secretary on or about the 11th September, and if that be so its true source is not yet disclosed.

And again, as to the $500 said to be received on the 30th of January, though Mr. McGregor comes expressly to assist Mr. Gamey at this stage of the enterprise and does assist in correcting the *Globe* interview, and though he and Mr. McGregor meet that same night and discuss this matter, yet the money is not exhibited or mentioned. It is not shown to anyone, but carried about continuously in Mr. Gamey's pocket until produced in the House. And then, when Mr. Gamey was finally preparing for making his statement, and planning to procure all possible corroboration from Sullivan, in the hearing of three witnesses, and though the $500 was then actually in his pocket, as he says, he does not make the slightest reference or allusion to it at the Crossin factory on the night before the House met.

From these omissions the inference is most persuasive that no bribe or money was received from the Provincial Secretary on the 29th January, but that the money was afterwards acquired and if that be so, then the real source of the money is not yet disclosed.

As to the eharaeter and eredibility of Frank Sullivan and Mr. Gamey the Report is very definite. "Their evidenee is eontradietory and irreconeilable at most, if not all important points. Both, by their own confession, practised systematie duplieity and personal tortuous eourses of dealing with self-serving interests much in view. Implieit relianee should not be plaeed upon their uneorroborated statements in material points and where these statements eonfliet with those of independent or disinterested witnesses the latter should be preferred." Elsewhere the Commissioners again seleet Mr. Gamey for special and personal eonsideration. "It is diffieult to frame any eonsistent aeeount of Mr. Gamey's career as Member, for it was throughout ineonsistent, as he played a double part. But this mueh appears in the evidence. His politics was Manitoulin, with Gamey as member on the side of any Government in power to the end that he might serve his eonstitueney, and also seeure shares in the various deals supposed possible by not over-serupulous men." Finally, the Commissioners said:

1. Mr. Gamey had no personal intercourse with any member of the Ministry except the Provincial Secretary. With two or three of the others he had some official correspondence but with the rest not even that.

2. With regard to the added charge of conspiracy the Commissioners are of the opinion that, as a matter of law, there is no evidence whatever to sustain it as against members of the Government and the other persons charged. And, according to the methods of an ordinary trial,

they would be discharged from the said accusation by the presiding Judicial officer.

3. This being so, the matter of the original charge alone remains and as to the Provincial Secretary there is the testimony that has to be commented upon. In our opinion the corrupt charges stand disproved by a great body of evidence which appears to be more accurate and credible than that adduced in support thereof.

The Report in the Legislature

From the Court to the Legislature the much-discussed Report of the Royal Commission had now passed and on June 17th an elaborate debate commenced in the House. The Hon. G. W. Ross made a careful, well-poised speech reviewing the decision of the Judges. He pointed out that the prosecution had one of the ablest lawyers in Canada at their service with money supplied to bring witnesses from the ends of the earth, if necessary, and with all the machinery of the Government to aid in proving their case. He believed that the Province would be glad to see the fair name of its public men thus vindicated. "We were on our trial before the ablest jury and before the high court of the people of this country. We have passed through that unscathed, no blot on our reputation, no stain upon our escutcheon, no reproach cast upon the manner in which we have administered the affairs of the country." To Mr. Stratton he turned and paid a high tribute: "I have known you for fifteen years; you have filled important and responsible positions; your Department has handled about one million dollars a year; you are an able administrator, most industrious and faithful. I say I shall not believe any charge against you until it is proved in the courts of the law." Seconded by Mr. Harcourt the Premier then moved a Resolution adopting the Report and thanking the Commissioners for their "just and impartial conduct" in the matters referred to them.

Mr. Whitney followed. He dealt with the appointment of the Commission, the granting of patronage to Mr. Gamey by the Government, the withdrawal of the protest in Manitoulin, Mr. Hammond's evidence against the Provincial Secretary, the alleged unpopularity of Mr. Stratton in his own party, the absence of the Premier from the witness-box during the investigation. As to the Commissioners, the Opposition Leader did not mince words in his treatment of the dual and incongruous position he claimed them to have occupied. In the first place the Judges had temporarily abrogated their high position in becoming Commissioners and were working for the Legislature as individuals at so much a day. Hence their decision and opinions could be freely canvassed and criticized. He then made the statement that Sir John Boyd—as a Commissioner, not a Judge—in an investigation on the result of which depended the fate of the Government, had three sons in the service of the Government and had for a numbr of years been receiving extra remuneration from the Government for work done outside of his position as a Judge.

The next speech was the first utterance in the Legislature upon the charges by the Provincial Secretary himself. Mr. Stratton began by being sarcastic at the Opposition's delight over the supposed discovery of corruption and disgraceful practices. "Their faces were radiant with unholy joy." He claimed that ordinary fair play had not been given him by the Conservative press and that both the papers and the politicians of that party had been too willing to accept the word of a practically unknown man against one who had spent the best years of his life in the service of the country. He quoted various instances of misrepresentation in newspaper head-line and statement. He had always desired the fullest and freest investigation of the charges and on tendering his resignation to the Lieut.-Governor and the Premier had been assured of their entire confidence in him. As to the Opposition attacks on the Commissioners they constituted a veiled accusation that the latter had been false to their oaths of office. Mr. Gamey he termed "a notoriety-hunting, self-seeking adventurer who was exploiting politics for his own benefit." Mr. Stratton declared that he had nothing to do with the appointments of either the Commissioners or Counsel and argued at some length that a change of party allegiance did not necessarily involve corruption.

Mr. Stratton continued his review of the evidence next morning and drew attention to various contradictions in Mr. Gamey's statements. As to the Hammond interview the Provincial Secretary declared that he was talking about the mass of extraneous matter submitted to Counsel by Mr. Hammond. "I asked him if he could forget bringing up matters entirely irrelevant, and entirely disconnected, and with no bearing whatever upon this case." He concluded with an eloquent presentation of the painful position he had stood in for months and of his delight at being freed of all guilt in the eyes of his honest fellow-countrymen. From the Opposition he had not received, and did not expect, justice.

> Long before the accusations had the sanctity of an oath, however worthless, to support them, I was condemned and pronounced guilty by my opponents. The average fair play which is given to the worst and meanest criminal was denied me. Every fact was tortured, every circumstance was coloured, every act was purposely misconstrued, in order to destroy my character as a public man and as a private citizen and all this was done with a greedy delight far beyond the lines of decency and honest self-respect on the part of my enemies.

To the Premier of the Province, "whose faith has never been shaken, and whose sympathy for me never wavered in the hours of greatest adversity" and to other friends who had stood by him he proffered his most grateful thanks. As to his accusers, "falsehood works its own revenge and deceit brings its own just punishment." Messrs. I. B. Lucas and M. G. Cameron, K.C., followed in the debate, and on June 19th Dr. Beattie Nesbitt spoke at length on the patronage branch of the question.

Following this deliverance came a five hours' speech from Mr. R. R. Gamey. There could be no doubt of its dramatic force and a certain effectiveness of style, whatever might be thought of the matters dealt with or the character of the speaker; and many current comments agreed in describing it as a remarkable utterance. He commenced by saying that if there were any faults in the charges originally submitted by him to the House it was due to his inexperience. They had been a rough and simple presentation of what he believed to be the truth. He then turned to the Commissioners and declared that they had been not sitting as Judges but as the paid officials of an accused Government. The witnesses for the Government had been chiefly grafters and hangers-on. He had not personally been properly treated by the Commissioners and he compared the treatment accorded to a mistake made by Mr. A. B. Aylesworth in his testimony with that given to his own statements.

In reply to the Commissioners' theory that he had made the first approaches to the Government, Mr. Gamey asked why he should do that with a Government "which was then on the ragged edge of nothing." It was the other way about. As to his cowardice and cupidity he claimed that he had undertaken to fight the Government alone and to do it when friendship with them would have meant all the money he wanted. His chain of evidence might not have been complete but then he was "fighting the shrewdest politician that had ever been in Ontario politics since the *regime* of corruption had been inaugurated." And so the speaker continued for hours, commenting caustically upon the evidence, upon the Commissioners, upon the omissions from the Report, upon the position of the Government. As to his Buffalo trip he said that it was the result of physical and mental exhaustion. He had been "hounded to death" by officers and friends of the Government, threatening letters had been sent him, and he had spent three trying days in the witness-box. Mr. Gamey completed his speech on June 22nd and in an earnest peroration declared that he would continue to fight against corruption and was quite willing to leave his future in the hands of God and the people. On June 23rd the debate was continued by Messrs. William Rickard, H. J. Pettypiece, Andrew Pattullo and J. M. Carr for the Government. Mr. J. W. St. John delivered a four hours' speech from the Opposition standpoint and moved the following amendment, seconded by Mr. W. J. Hanna, to the Premier's proposed adoption of the Report:

That in the opinion of this House the Report of finding of the Commissioners appointed to inquire into and investigate the charges of bribery set forth in the statement made in this House on the 11th day of March last, by Robert R. Gamey, Esquire, member-elect for the District of Manitoulin and the further statement made by him in this House on the 27th day of March last, is not supported by the evidence adduced before the said Commissioners; that the conduct of the Hon. J. R. Stratton is shown by the said evidence to have been discreditable, corrupt and scandalous; that this House regrets that the Premier, Hon. G. W. Ross,

having received the letter of the said Gamey, dated 10th September, 1902, failed to give evidence before the said Commissioners and also that the said Hon. G. W. Ross and his other colleagues were not called by the said Commissioners to give evidence; and this House furthermore expresses its earnest regret that practices contrary to law which the evidence shows were indulged in by the members of the Government and their agents, and which practices, if persisted in, are calculated to undermine and destroy the honour and integrity of our political system and degrade the dignity of public life, have been justified and defended by the said Commissioners in their Report.

To this Mr. Rickard moved in amendment that the following words should be added to the Premier's original motion: "And this House regrets that it has become its duty to place on record its expression of censure of the conduct of the member for Manitoulin in the matters forming the subject of the investigation." On the following day Messrs. W. H. Hoyle and W. J. Hanna spoke for the Opposition and Lieut.-Col. the Hon. J. M. Gibson and Mr. James Conmee for the Government. Colonel Gibson devoted considerable time to a defence of the Commissioners against the harsh opinions expressed by the Conservative speakers in the debate. "Was there any Hon. gentleman who would say that two fairer-minded men could have been selected? Was there any gentleman in the public eye to-day who enjoyed a more enviable reputation as to his ability, as to his character and as to his purity of motive than Chancellor Boyd, the President of the High Court of this Province, the senior Justice of the High Court, a gentleman who was respected by everyone and had never been known to be associated with any political party and had no political record before he went on the Bench? Then as to the Chief Justice of the King's Bench. What he had said with reference to Chancellor Boyd as to his reputation, ability and fearless manner under all circumstances would apply equally to Chief Justice Falconbridge. The reputation he had in the profession in that respect, and the high regard in which he was held by the public of his country, were well known. He was an active Conservative before his elevation to the Bench."

The speakers on June 25th were Messrs. F. G. McDiarmid, Donald Sutherland and J. P. Downey for the Opposition, and Mr. George P. Graham for the Government.* The last speech in the debate was that of Mr. J. J. Foy, K.C., who spoke at considerable length and summed up the subject from the Opposition point of view. Referring to the abuse showered upon Mr. Gamey he declared these allegations, even if true, to have nothing to do with the "conclusive evidence that he signed a letter binding himself to the Government which they accepted and in return for which they did not prosecute a protest that they had entered against him." This was one of Mr. Gamey's charges and it was absolutely proved. Another was the giving of patronage to him, also

* NOTE—It is impossible from considerations of space to give an abstract of all these speeches, but they may be found printed *verbatim* in the Toronto *Evening Telegram* of the last week in June and the first in July—the only full report published.

in return for his support, and this was established quite apart from his own testimony. The House voted upon the subject on June 26th. Mr. St. John's amendment was lost by the acceptance of Mr. Rickard's addition to the original motion on a vote of 41 to 37; and the acceptance of the Report, with expressed appreciation of the Commissioners' services and censure for Mr. Gamey's conduct, was carried upon the same division.

Public Opinion and the Report

The Report of the Commissioners produced vigorous and at times vehement comment on the part of the press and of some public men. To the *Globe* of June 5th, it was "a full, fearless and dispassionate document;" a "sober, weighty and impartial deliverance." As to Mr. Gamey it proved him to be "a moral monstrosity" possessed of the qualities that have made the name of Titus Oates infamous. "He will remain in the Legislature as a living lesson of what happens to the man who allows his conscience to be extinguished by greed, and by the falsehood that rapacious greed engenders." By the *Mail and Empire,* for some unexpressed reason, the Report was assumed to be the work of Sir John Boyd alone. It was declared to be utterly one-sided. "We undertake to say that Judge Boyd's volunteered opinion overreaches itself. As a defence of Mr. Stratton and his colleagues, and as an attempt to destroy Mr. Gamey, it goes too far, and thus nullifies the influence upon the public mind which otherwise it might be expected to exert. A calm, reasoned argument, frankly admitting some of the established facts, and discounting allegations that are not fully corroborated, would have appealed to the people as just, and would have helped the corrupt Government far more effectively than this Report does." The evidence, it declared, did not warrant the verdict and public opinion would not accept it.

Upon the following day the *Globe* found its opinions as to the Report confirmed by a more careful perusal of the evidence. It denounced the *Mail and Empire's* "insolent" attack upon the Judges and declared that: "The accusation against the Provincial Secretary and the Government broke down, hopelessly and irreparably, because neither the facts in the case nor the character of the accuser convinced the Judges. Nor will the public be convinced of the moral integrity of the member for Manitoulin, or of the trustworthiness of assertion or explanations made by any such self-confessed political and commercial adventurer." The Toronto *Star* considered the document "a lucid interpretation of the evidence." The London *Advertiser* hailed it as a complete vindication of the Government at the hands of impartial Judges and thought that Mr. Gamey should now be expelled from the Legislature. The Montreal *Star*, though a Conservative journal, endorsed to some extent this Liberal view of the finding while mentioning some points on which the public would probably lay more stress than the Commissioners had done:

Chancellor Boyd and Chief Justice Falconbridge have had a thankless task to perform, and in our judgment even those who disagree with their conclusions will admit that their rulings throughout the investigation were perfectly fair and as liberal as the traditions of judicial tribunals would permit. But the result of their labours is little more than a summing up in favour of the accused.

The Toronto *World* thought the judgment regrettable in that it disclosed, without remedying or denouncing, a state of affairs which no honest man could regard without misgiving. "On public grounds the fate of Mr. Gamey and Mr. Stratton is perhaps the least important of all the issues involved." The Toronto *News* thought it clear that the Report had been prepared in haste; declared there was no doubt that Mr. Gamey "was bribed and that he was untruthful;" feared that the Commissioners' conclusions would not be generally accepted and that they might be interpreted by some to condone practices which were a disgrace to the State. "We are by no means at the end of the controversy. Much remains to be said. Perhaps, in time all the facts may stand out in clearer light before the community. We miss from the judgment the note of admonition and instruction which it might have contained, and it cannot be said to reveal any particular knowledge of modern political methods." The Kingston *Whig* demanded that Mr. Gamey be relieved of his seat in the House and that the Government should put an end to "grafting of every kind."

Following the decision Mr. Gamey was much in request at Conservative gatherings. He was banqueted at Dundalk on August 6th and spoke at Oshawa on August 9th. At Gore Bay a largely attended banquet was given to him on July 30th by some 600 Conservatives from various parts of Manitoulin Island. Mr. W. H. Price of the *Conservative* presided, and amongst the speakers were Messrs. Robert Johnson, M.P., A. Miscampbell, ex-M.P.P., and R. L. Joynt, J. W. St. John, Beattie Nesbitt and Dr. R. A. Pyne of the Ontario Legislature. Mr. Gamey was given an enthusiastic reception and endorsation.

Aftermath of the Gamey Case

The termination of the trial and of the debates in the Legislature were by no means the end of the question raised by Mr. Gamey. In addition to the fiery cross which that gentleman carried into some of the constituencies and bye-elections there were toward the end of the year the Crossin and Callaghan incidents. On October 22nd a lengthy affidavit and statement was published in the *Globe* by Mr. Edward Crossin of the Crossin Piano Company and the partner of Mr. Gamey during the sittings of the Royal Commission when the matter of the firm's mutilated books came up for examination.

Mr. Crossin now swore that Mr. Gamey came into the business on April 1st, 1901, and put in various sums amounting to $3,000 in all; that he asked him (Crossin) to effect certain alterations in his books at the time of making the charges in the House against

the Provincial Secretary and that he refused; that afterwards he found the books mutilated in the way indicated in this interview; that when the Commission opened, one of Mr. Gamey's Counsel came to see if there was anything relating to the case in the books and was shown this changed entry; that between the time when he (Crossin) was called to appear in Court with the books and Mr. Gamey's sudden visit to Buffalo he found the two front leaves of the book torn out; and that no one had access or keys to the office except himself and Gamey. Mr. Crossin proceeded to state that he had found his business interfered with by the association of his name with that of the member for Manitoulin and had decided to separate from him. This had been arranged on the preceding day when the stock (60 shares) held by Mr. Gamey had been purchased by others. Part of this stock had been held since the summer by Mr. W. R. Smyth, M.P.P., as security for a loan to Mr. Gamey. To the *News* of the same evening Mr. Crossin refused to tell who had put up this money. But he made the following general statement:

> It was business—self-preservation—that induced me to make the affidavit which appears in the *Globe*. Had I not done so the Crossin Piano Company would have been obliged to go into liquidation. The substantial proof that I did the right thing so far as my business is concerned is that yesterday afternoon a gentleman whom I had not previously known purchased five thousand shares in the Company. I must decline for the present to say who the parties who have put money into the Company are, but I can say that we have applied for two more floors in this building which will enable us to treble our present accommodations. The capitalization of the Company will be increased from $50,000 to $100,000.

This incident aroused new and keen discussion. The Opposition press at once took the ground that Mr. Crossin's business had been saved by friends, if not by the money, of the Government in return for an affidavit which it was thought would hurt Mr. Gamey and affect any influence he might be exerting in the constituencies. The comments of the *Mail and Empire* in particular were vigorous in the extreme. The *News* considered it another evidence of the fact that the Report of the Royal Commission was not thought accurate or fair by the mass of the people and that, therefore, a renewed attempt to discredit Mr. Gamey was thought necessary. There was no apparent proof, however, of the Government being in any way connected with the matter until on November 10th an affidavit was signed in Toronto by W. H. Callaghan, who claimed to have been a life-long Liberal worker, declaring that he was the man who had negotiated the deal by which Crossin had obtained the money to buy out Mr. Gamey.

He stated that he had first told Mr. E. F. B. Johnson, K.C., of Crossin's financial difficulty and of what he could reveal; that by the lawyer's advice he had gone direct to the Provincial Secretary with the story—after first arming himself with a letter from Mr. L. V. McBrady, K.C., declaring Callaghan to be a good Lib-

eral worker; that he was then referred back to Mr. Johnson who, on October 13th, told him that all the Government would put up was $3,500; that it was understood that he (Callaghan) was to have a share of this, but that on October 21st, after Mr. Gamey had been paid for his shares, Crossin told him that there was no provision for him; that since then he had made repeated applications to Mr. Stratton and the others for his share in the alleged deal but without success.

The immediate answer to these charges was an absolute denial by Mr. Stratton and by Mr. Johnson of any such negotiation or payment—Toronto *Star,* November 12th. Callaghan had, the Provincial Secretary stated, brought him the letter from Mr. McBrady; had told him the story about Crossin and the books and the proposed re-organization; and had been in turn told categorically that he (Mr. Stratton) would have nothing to do with the matter; that he was not in the piano business and that he did not wish to discuss the affair with him let alone have any dealings concerning it. On the preceding day (November 11th) Callaghan had come to him and had tried to tell him a lot of things about Crossin and his business and he had, practically, to order him out of the office. Mr. Johnson denied everything except as to giving some professional advice about the standing of the Company and Crossin's position. Callaghan had, however, tried to blackmail him for $200. An indirect answer was the arrest of Callaghan on November 20th, at the instance of Edward Crossin, on a charge of theft.

He was accused of retaining $180—the price of a piano bought from, or sold for, Crossin. The former was Crossin's contention; the latter Callaghan's, who also put in a counter claim for percentage on account of his alleged sale of stock in the Piano Company. The case was heard in the Police Court on November 20th and sent up. On December 16th Judge Winchester tried the accused, the jury found him guilty and, while the case was announced for appeal he was sentenced to 60 days at hard labour. During the trial the Hon. J. R. Stratton, Mr. E. F. B. Johnson, K.C., and a large number of other witnesses were excluded. Mr. Alex. Gibb testified that he had put up the $2,000 paid by Crossin to Mr. Gamey, but he would give no particulars as to the why or wherefore. The matter throughout was given a political colouring and the Opposition press claimed that the prosecution was an act of political spite and the verdict one of vengeance for the affidavit.

In the appeal for permission to re-argue the case (December 17th) Mr. Justice Osler stated that it was very unusual to sentence while an appeal was pending but in the combined judgment given out on December 23rd by the Judges of the Court of Appeal they declared that, while having nothing to do with the question of whether the verdict was against the weight of evidence, they did not see that evidence was improperly rejected or admitted, or

that there was any substantial objection to the Judge's charge. Meantime, there had been very general attacks in the Conservative press upon Judge Winchester—whose appointment a short time before had been the subject of many equally strong expressions of approval; and it had been elaborately charged that the jury in the case was made up of Liberals—17 persons having been refused by the prosecution. The *Star* of December 21st declared that the Foreman and several of the jurors were Conservatives.

Bye-Elections in Ontario during 1903

The narrow majority of the Provincial Government throughout the year made the occurrence of a bye-election very important to the political interests concerned. As the year opened a keen contest was in progress in what were called "The three Norths"—North Grey in which at the general election Mr. A. G. McKay (L.) had obtained a majority of 5; North Perth in which Mr. J. C. Monteith (C.) had won by 2; North Norfolk in which Dr. Snider (C.) had won by 23 majority. The two latter seats had been previously Liberal. The chief incident of these elections—upon the result of which unquestionably hung the fate of the Government with its majority of one or two—was the publication on December 30th, 1902, of an open letter from the Hon. S. H. Blake, K.C., to Mr. J. J. Foy, K.C., M.P.P.

In this epistle * Mr. Blake, who had been a life-long and prominent Liberal, denounced the Government in the harshest terms as being responsible for the corruption which he alleged was commencing to permeate the whole country. It was a vehement, sarcastic and at times violent letter. Speaking at Owen Sound, on January 1st, the Premier dealt with the peculiarity involved in a man of Mr. Blake's name and political antecedents patronizing a Tory and presented a vivid picture of various charges of corruption made from time to time against the Conservative party. As to Mr. Blake's allegations they were general and he answered them in a similar manner. "Some will say that he could not get on with the Ontario Government. That may be, we could not give him all he wanted. He says there are lobbies in the Ontario House. I have seen Mr. Blake in the lobby as often as I have seen anybody, and I do not think he need be ashamed to be seen in the lobby. I never heard any man say there was a dishonest lobby in the Ontario Legislature. I do not think he dare say there is one unless he puts it up himself. I never heard anyone say he did. Then he complained of subsidies. Perhaps he did not get subsidies for all the schemes he was promoting. I know he did not."

At Listowel, on January 5th, Mr. Ross again referred to the letter and especially to Mr. Blake's allegation that nothing had been done by the Government to stop this growth of corruption. The Premier pointed out that his Government had brought no less than 30 persons before the Courts for corrupt practices and he

* NOTE—See *The Canadian Annual Review* for 1902, page 54.

read the names together with the heavy fines or imprisonment meted out to those found guilty. On the same day the *Globe* declared that Mr. Blake had been piqued at a decision in the Crown Lands Department adverse to one of his clients (the Illinois Steel Company) and hence his angry epistle. A letter dated January 4th, 1901, and written to the Hon. E. J. Davis in this connection by Mr. Blake, was also made public.

Meanwhile, Mr. Whitney had addressed an open letter to the electors in the three constituencies, dated December 31st, 1902, and appealing for support to his candidates in defeating this last desperate effort of the Government " to defeat the will of the people " by the " work of their machine." On January 7th the elections were held and resulted in the triumph of all three Liberals. Mr. A. G. McKay defeated Mr. G. M. Boyd in North Grey by 272 majority; Mr. John Brown won in North Perth over Mr. Monteith by 206 votes; and Mr. A. M. Little defeated Dr. Snider in North Norfolk by 100 majority.

The elections were all protested but did not come up for trial during the year. To the *Mail and Empire* of January 9th Mr. Whitney declared that the Opposition fight against corruption would be maintained; and expressed himself as still hopeful of the result. Meantime, the Hon. E. J. Davis, Minister of Crown Lands, had arranged on January 2nd with his late opponent in North York to vacate his seat and fight a new election in preference to an election trial. Mr. Lennox also agreed with the Minister as to an election being preferable. There were Conservative rumours as to Mr. Davis' intended retirement from the Government, but these were at once denied. The resignation of his seat was duly carried out on February 6th and the election took place on February 26th. It was a keen contest from start to finish and Mr. T. Herbert Lennox, the past and present Opposition candidate, put up a most vigorous fight. At Aurora on January 22nd he explained the negotiations as to retirement from his standpoint; at Newmarket on January 27th, the Hon. Mr. Davis did the same. At a meeting in the latter place on February 3rd, the Premier and Sir William Mulock delivered speeches in aid of Mr. Davis and Mr. Ross also spoke at Aurora on February 20th. Mr. Whitney addressed the electors at Newmarket on February 23rd. The result showed a majority of 449 for the Minister of Crown Lands, as against 207 majority at the general elections.

Centre Bruce, a constituency won by Mr. Hugh Clark (C.) at the general election with a majority of 5, was vacated on petition by Chancellor Boyd and Mr. Justice Maclennan, on February 6th, for corrupt practice, without personal knowledge, through an agent. The election was held on February 26th and was contested very quietly so far as Mr. Clark was concerned. The Premier spoke at Kincardine on February 23rd and at Ripley on the next night in favour of Dr. J. M. Stewart, the Liberal candidate. At the latter place Mr. Ross said in the course of his speech: " I

propose to remain in my present position as long as I have a majority in the House." In the result Mr. Clark won by 44 majority. An election in Muskoka resulting from the death of Dr. Bridgeland, and that in Sault Ste. Marie resulting from the unseating of Mr. A. Miscampbell, were held on October 27th.

At the general election Mr. Miscampbell had received a majority of 199 over Mr. C. N. Smith and in Muskoka Dr. Bridgeland, the Liberal candidate, had 86 majority. In Sault Ste. Marie the old candidates were renominated; in Muskoka Dr. J. W. Hart was the new Liberal candidate and Mr. A. A. Mahaffy the Conservative. In both contests the struggle was keen with a new element interjected in the person of Mr. R. R. Gamey who addressed some eleven meetings in Muskoka and one at the Sault. The Premier and many members of his Ministry, with Mr. Whitney, Mr. Foy and other lieutenants of the Opposition took part in the fight. A vigorous appeal was made by the *Globe* on October 12th to strengthen Premier Ross and remove the disturbing elements of uncertainty in the political situation and end the constant struggle going on in the Courts for the advantage given by a single seat. "The whole powers of the Government should be devoted to Provincial development and they had a man at their head well fitted to lead. The strongest opponents of Mr. Ross will not deny his energy and capacity for action, his mental receptivity, his sympathy with progressive ideas of all kinds, his unbounded belief in the future of the Province and of his country, his freedom from mercenariness, his remarkable talent for leading public opinion."

The returns on October 27th showed the election of Mr. A. A. Mahaffy in Muskoka by a majority of 194 and of Mr. C. N. Smith at the Sault by 247 majority. The parties therefore divided even. There was much discussion as to causes, etc., and Mr. Gamey received a good deal of Conservative credit for the result in Muskoka. Both elections were protested and the trials were pending at the close of the year.

The North Renfrew Bye-Election

The chief of these contests, however, was the last one of the year. A few days after the general elections of May 29th, 1902, Mr. J. W. Munro, Liberal member for North Renfrew (elected by 459 majority), died. Many political events and many bye-elections ensued, but no writ was issued for this constituency. At first little was thought of it because of the size of the majority, but as time passed on the Opposition began to protest and, as the *News* of Toronto grew more pronounced in its denunciation of the Government, it published a daily item giving the number of days during which the riding had been vacant. On March 31st, 1903, Colonel Matheson and Mr. T. Crawford presented to the Legislature, on behalf of the Opposition, a motion regretting that the writ had not been issued and asking that this be done at once. It was rejected by a vote of 46 to 41. On November 6th ensuing

Mr. J. P. Whitney addressed a vehement letter to the Premier describing the delay and concluding as follows:

> I desire to know by what right—or rather by what pretence of right or authority—you have interfered to prevent or failed to bring about, the issue of this writ. How dare you—presumably the guardian of the rights and liberties of the people—say, in effect, to the electors of North Renfrew that they shall not be permitted to have representation in the Legislature but just when, and only when, it may suit your purpose! How much longer do you expect the patience of the people to last?

By this time various Conservative papers were calling upon the Lieut.-Governor to interfere. Finally, on December 1st, it was announced that the election would be held on the 26th of that month. An active campaign was at once organized with the Government in possession of a majority of four in the House. Lengthy and special articles were published in the *Globe* of November 28th, December 1st, December 10th and other dates, defending the Government's record and policy, while the *Mail and Empire* had a series of seven special articles running from December 3rd to December 16th, vigorously attacking the Government for alleged corruption. At Pembroke on December 11th the Premier addressed a large gathering and gave the Government's explanation of the delay in holding an election.

> Mr. Munro died before the election returns were made. If the return of an election is made during the life of a member, there is no doubt that the Clerk of the Crown in Chancery can issue a writ, and the election can take place. But a new point arose because Mr. Munro died before the return was made. Now the Conservatives doubted the validity of an election held under a writ so issued, on a return made before the House assembled and a new Speaker was in the chair. We shared this doubt, and we delayed the election till the Speaker was in the Chair. We did what was concurred in by legal opinion on both sides of the House.

Then, he pointed out, when the House did meet came the Gamey charges and investigation with no time to think of by-elections. After that the Government deliberately waited for public opinion to digest the Commissioners' Report, for the harvest to be completed, and the lumbermen of this particular riding to get into their winter quarters. The Government then called the election and, he maintained, the delay had been fully justified. Certainly no protest had ever reached them from the electors of North Renfrew. He went on to denounce the Opposition tactics and to declare that: "As long as we have a majority of three, we shall uphold our flag, row against every current, and face all the obloquy that can be cast on us, and all attacks, whether in public meeting or the courts of this country, or in Parliament, or wherever it may be." In referring to the charges of corruption he mentioned the Conservative campaign fund of $28,000 which the *News* had given a history of not long before and asked if anything as bad as that could be proved against the Liberals. They were charged with employing outside workers. "Sir, 80

persons perambulated North Renfrew for the Conservatives in the last election. I have their names in my pocket."

An incident of this meeting was the speech by Mr. James Findlay, an old-time Liberal member for the riding, but during many years a somewhat erratic politician. He freely denounced the Government as having departed from true Liberal principles but, at the same time, declared that he was not supporting Mr. Whitney or the Conservative party. Another incident of the campaign was the active part taken by Dr. MacKay of Pembroke, a Liberal holding various Provincial offices such as Clerk of the County Court. An immense number of meetings were held and addressed by Messrs. Whitney, J. W. St. John, J. P. Downey, Hon. Peter White, Dennis Murphy, M.P.P., J. S. Duff, M.P.P., W. J. Hanna, K.C., M.P.P., and Mr. R. R. Gamey for the Conservatives; and Mr. Thomas Mackie, M.P., C. N. Smith, M.P.P., Gordon Henderson, K.C., G. P. Graham, M.P.P., and the Hon. Mr. Stratton for the Liberals.

The nominations took place on December 20th when the two candidates, who for many months had been before the constituency, were formally nominated—Mr. J. Lorne Hale for the Liberals and Mr. E. A. Dunlop for the Conservatives. They were both young men and the latter was a particularly capable speaker. The Hon. J. R. Stratton addressed various gatherings, including a meeting at Eganville on December 15th and another at Pembroke on the 23rd, while his active antagonist, Mr. R. R. Gamey, spoke at some ten meetings, altogether, in the riding during the weeks immediately preceding the election. Meanwhile, Mr. Findlay had issued an open letter addressed to the Provincial Premier denouncing him for not having taken stronger ground against the elements of corruption alleged to exist in his party; for a policy of vilification against Mr. Gamey; for continuing to support Mr. Stratton; and for not carrying out Prohibitory legislation.

The election took place amidst an interest by no means confined to the constituency and the result showed a majority of 598 for Mr. Dunlop as compared with the 459 received by Mr. Munro, a year and seven months before.* This decided Conservative victory was the cause of great party rejoicing. Mr. Dunlop gave much credit to Mr. R. R. Gamey for the result and the *Globe* seemed to think that Mr. Hale had not been sufficiently active in organizing. The long continuance of the vacancy was also given as a reason, together with the difference in the personal popularity of the candidates. It was intimated by this paper, also, that while the Liberal party might regret the loss of a seat the Conservatives would yet have greater cause to regret making Mr. Gamey the hero and centre of the contest.

* NOTE—Though the Riding gave Mr. Munro such a large majority in 1902 and elected him by acclamation in 1900, it had gone Conservative in 1898 by 153 majority.

The Toronto *News* called upon Mr. Ross to give up the struggle in the Legislature and go to Ottawa, where his place in Imperial and national politics would be much more marked and certainly more congenial. The *Mail and Empire* and other Conservative organs again called on the Government to resign.

The Toronto *Star* of December 28th had the following argument in this connection: "Mr. Whitney did not lead, and his policy, if he has one, was not discussed. If, therefore, anyone feels like arguing that Mr. Ross should retire as a result of Saturday's events, he must also argue that the Premier retire in favour of Mr. Gamey. It is when we arrive thus logically at this absurdity that we see how difficult it is to assign any outside meaning to what was so largely due to local and personal causes." On December 30th a widely-quoted editorial appeared in the Liberal *Free Press* of Ottawa. It declared the North Renfrew verdict to represent the popular feeling of the Province to a considerable extent. The Ministry as at present constituted stood discredited in the eyes of the people. "It is useless for the Liberal party of the Province to shut its eyes to the fact that things cannot remain as they are for any length of time. The Government at the present time has a majority of two in the Legislature, exclusive of the Speaker, and it has facing it five protested elections, as against two in which it has taken similar action on its own account against Opposition members. Frankly, the situation is not hopeful."

Political Affairs in Quebec

In connection with the appointment of Sir Louis Jetté to act upon the Alaska Boundary Commission there were many rumours in the early part of the year as to his successor. Mr. Justice F. Langelier was frequently mentioned as was the name of Sir Charles A. P. Pelletier. To the Quebec *Telegraph* of January 13th the latter stated, without giving reasons, that he had declined to accept the position. Finally on July 18th the re-appointment of the Lieutenant-Governor for a second term was announced. A reorganization of the Quebec Colonization Commission took place on February 14th when Senator J. H. Legris was appointed to replace the late Judge Bourgeois and Mr. John L. Brodie to replace the Hon. G. W. Stephens. The Rev. Canon Thivierge was reappointed and Mr. J. C. Langelier remained Secretary. At a banquet in Montreal to the Hon. Mr. Duffy on February 28th, the question of better terms for the Province was very vigorously handled by that gentleman and by the Hon. Lomer Gouin, Minister of Public Works.

The third Session of the Tenth Legislature of Quebec was opened on February 26th, by Lieut.-Governor Sir L. A. Jetté. In his Speech reference was made to the King's illness and Coronation; to the celebration in June, 1902, of Laval University's fiftieth anniversary and the death of the Hon. Mr. Dèchéne; to the building of colonization bridges in isolated localities, and

the *personnel* of the Colonization Commission; to the expected early completion of the Quebec Bridge, and the demand upon the Federal authorities for a larger subsidy; to the creation of new centres of population by recent sales of water-powers and timber lands; to the continued equilibrium between receipts and expenditures; to intended legislation encouraging the improvement of water-powers and development of industries, the consolidation of the election law and the reform of the law affecting corporations. Following the formal opening came the presentation by the Hon. Mr. Parent of his annual Report as head of the Lands, Forests and Fisheries' Department showing a total revenue of $1,291,111. Upon the succeeding day the Conservative Opposition held a caucus and re-elected the Hon. E. J. Flynn as Leader.

The Address was moved by Mr. O. C. Delage, and seconded by Mr. G. R. Smith. Mr. Flynn followed and criticized the Premier for not having attended the Coronation; doubted whether the farmers were really prosperous; feared lest the continued sale of the public domain should result in the Americans almost owning the Province; asked why no reference was made in the Speech to the close of the South African War, to the pulp industry or the Trans-Canada Railway project; and declared that the License law should be looked into, as temperance and education went hand in hand. In the Premier's reply he declared that he wanted more rather than less American investment of capital; alleged it to be impossible to give the pulp-industry any more protection; considered the changes of a settlement of the Subsidy question very satisfactory; stated that they were selling twice as much public land as ten years ago, and that while 60,682 square miles of forest were under license the extent of land not yet conceded was about 250,000 square miles. Other speeches followed, notably one by Hon. L. P. Pelletier and, on March 2nd, the Address was passed without division. It had already been accepted by the Legislative Council.

An interesting incident occurred on the following day when, upon the suggestion of the Hon. Mr. Flynn, concurred in by the Premier and the House, a congratulatory cablegram was sent to His Holiness Pope Leo XIII. upon the occasion of his 25th anniversary, and expressive of their "profound veneration" and sincere wishes for his happiness. On March 4th a heated personal altercation took place between the Premier and the Hon. Mr. Pelletier. The former, incidentally, explained the railway policy of the Government, so far as action was concerned, as awaiting a report from the Colonization Commission upon the general question of land grants. The financial resources of the Province were, he declared, too small to do much at present. The Trans-Canada Company had asked enough public lands to build the whole of the line with a fraction of the proceeds, and had, therefore, been refused a grant. The personal matter turned upon a letter written by Mr. Pelletier in *L'Evenement* the previous day

which the Premier described as untruthful. A still more violent personal discussion took place between Mr. Parent and Mr. Pelletier, on March 16th, when the latter proposed that the Mayor of Quebec should be elected by popular vote. His irritant letters attacking the Premier continued at the same time to appear in *L'Evenement.*

Upon the Premier's measure granting the City of Quebec power to borrow $100,000 more for improvements in streets, etc., a prolonged discussion occurred on March 23rd. Mr. P. E. LeBlanc wanted the proposed expenditures specified and declared that while the Hon. Mr. Parent had done much for the City since he became its Mayor, yet the debt was now $8,000,000, against about $19,000,000 of taxable property. The Hon. Mr. Robitaille warmly eulogized the Premier's administration in Quebec City, and declared his long Mayoralty (1894-1903) to have been the most beneficial and progressive in the history of Quebec. Mr. J. A. Lane of Quebec Centre opposed the legislation, but the discussed clauses went through by 31 to 4. An incident worth recording was the final passage, on March 27th, of fifteen Bills creating professional men out of applicants who were unable to obtain the right to practice from their authorized Boards of Examiners. The Quebec *Mercury* of the following day strongly denounced this legislation and called upon the Legislative Council to veto it. So did the Montreal *Star,* and other Opposition papers, though without any direct result. Toward the end of the Session, however, a measure was passed forbidding such applications being received or considered in future unless accompanied by certificates showing the approval of the governing body concerned.

The Electoral Bill was discussed in the House on March 31st, and especially the penalty for personation at the polls—$50 and not more than $200, with a term of imprisonment extending from three months to two years. Opposition speakers argued for a fine of $500, with imprisonment and deprivation of political rights. The measure passed in due course without serious amendment. A Resolution was proposed on the same day by Mr. J. A. Chicoyne calling the earnest and immediate attention of the Government to the importance of improving the public highways. He asked for a broad and generous policy in this respect, and was strongly supported by Mr. J. B. B. Prevost, who declared the present method of making and keeping rural roads to be very unsatisfactory, and suggested control of the entire work by local councils with a special tax for the purpose. The Hon. Mr. Turgeon, Minister of Agriculture, pointed out in reply that while the farmers of Quebec wanted good roads they were unwilling to contribute one cent toward that object. Since 1896, however, the Government had done something, and had expended $68,498 upon the roads. Education of the people was the one thing needed in this respect. A Resolution presented on April 2nd by

Mr. E. Blanchard asking for a change in the County Council system was rejected, after discussion, by 40 to 10 votes.

On April 15th a warm debate took place upon the measure, introduced by Mr. M. Hutchinson, providing practically for the establishment in Quebec of the Canada Medical Act of 1902 by which, under Dr. Roddick's enthusiastic initiative at Ottawa, it had been made possible for the medical systems of the different Provinces to be federated, with a uniform registry and reciprocal rights, together with Imperial recognition of Canadian licenses. The assent of each Province was required, however, and that of Quebec had been considered doubtful. In presenting his proposal, Mr. Hutchinson pointed out that there were French-Canadians all over the Dominion who would like their own physicians and that the medical standard would be raised throughout Canada. The Hon. Dr. Guerin and the Hon. Mr. Turgeon both claimed that in Quebec the educational system was superior to that of the other Provinces. The former pointed out that the Quebec Medical Board disapproved the legislation while the latter denounced it as intended to deprive Quebec of a portion of her educational rights. "He hoped that every French member of the House would abstain from voting for the Bill, as he did not fear to say that it was against the interests of the French-Canadians—a conspiracy against the laws of this Province." The Hon. Mr. Pelletier ridiculed this contention and pointed out that at Ottawa Sir Wilfrid Laurier and many good French-Canadians had supported it. The people of Quebec should not be afraid to join with or compete with other Canadians in educational matters. The Hon. Mr. Duffy also criticized his colleague's reference to a conspiracy. Other speakers followed, and the measure was finally rejected by a vote of 48 to 10.

The presentation of a preliminary Report by the Colonization Commission caused a debate on April 22nd. In this document twenty-five railway undertakings in the Province were enumerated, which asked for land grants totalling 20,000,000 acres. It was stated that such large grants might possibly constitute hurtful monopolies and, in view of the increasing value of woodlands in the Province, it was recommended that any land subsidies given should have a provision allowing the Government the privilege of re-purchase at a fixed price. This, however, was only suggested for effect after the settlement of the Federal Subsidies question and the conversion of the Public Debt. The Government were urged to give Provincial railways a preference in the matter of aid over Federal ones. The comparative value of electric and steam railways was also considered. The Opposition criticized the Report as inadequate and farcical, and declared that the one important matter with which it should have dealt—the Trans-Canada project—was not even referred to. The Premier deprecated responsibility of any kind for the Report as the Commission had been appointed and was working under an order

of the House. He hoped for a more complete one in two or three months. A subject of some discussion was the Hon. Mr. Duffy's Resolutions regarding the conversion of the Debt; though criticized by the Opposition and met with an amendment proposed by Messrs. Flynn and Pelletier they carried with the usual majorities.

One of the chief events of the Session was the measure regarding the City of Montreal. The most discussed clauses were those concerning the exclusion of children under sixteen years of age from theatres; the granting of power to the City to suppress or regulate disorderly houses; the requirement of licenses for the pursuit of all kinds of occupations or businesses; the right to regulate the establishment, construction and use of breweries, stables, foundries, etc., within the city limits. All passed the Assembly except the last. The chief disputed clause, however, was one which permitted civic contracts to be authorized by the affirmative vote of an absolute, instead of a two-thirds, majority of the City Council. This was keenly and vigorously contested outside and within the House, but finally passed into law. The feeling of those opposed to the proposal may be gauged from the following comment of the Montreal *Herald,* on April 23rd, after the Bill had passed the Legislative Council:

> It can hardly be claimed that they were not informed of the motive which actuated those who secured the elimination of the clause in the Montreal charter which ordained that a two-thirds affirmative vote was necessary when a contract was to be made extending over a long series of years. With the Gas contract about to expire and the Street Railway about to ask for an extension of franchise, the Legislative Council, the specially appointed guardian of conservative methods, the body whose gorge rises at a radical suggestion to dispense with the property qualifications for aldermen, had nothing to say and the dangerous amendment went through practically unchallenged.

Other legislation of the Session, or action taken by the Legislature, included a renewal of the contract with the Sisters of Charity to maintain the Asylums at Beauport and St. Ferdinand d'Halifax; the incorporation of Royal Agricultural Schools; the granting of $15,000 to Laval University; the provision of a pension for certain public officers; the grant of certain powers regarding trading stamps to the municipal councils; a measure to better secure the independence of members of the Legislature; the appointment of a Select Committee to study the law and methods of Mutual Benefit and Aid Societies; concurrence in the Resolutions passed by the Quebec Inter-Provincial Conference of 1902; increase in the salaries of Judges of the Sessions of the Peace; and a Resolution in favour of Home Rule, or self-government for the Irish people.

Many votes of censure or expressions of non-confidence were moved by Opposition members and lost by large majorities—including regret at the continuance and increase of Succession duties; declaration that the financial surplus of the year was only

nominal owing to the sale of $201,002 of timber limits; demand that the power given regarding conversion of the Public Debt be limited to some specific sum; regret at the alleged excessive cost to the Province of the Quebec Bridge, dissatisfaction with its financial management and a declaration that the conduct of the Premier as President of the Bridge Company and head of the Government was "reprehensible and completely opposed to the public interests;" deprecation of the alleged increase in the annual expenditures of the Province; allegation that the Companies holding timber limits purchased from the Government had not paid the duty of $1.90 when it was in force; censure of the Government for the conduct of the Gaynor and Green affair as being a miscarriage of justice; regret that none of the public printing had been done by contract; declaration that the Provincial Police were used for other purposes than those for which the force was established.

One of the last incidents of the Session was the Resolution proposed on April 25th by Mr. G. H. St. Pierre urging a higher license on pulp-wood. The Premier said in reply to the assertions made, that the Government had been forced to reduce the previously imposed high dues because of discrimination against other Provinces as well as Foreign countries. He declared that the high dues militated against the settler who was, thereby, hindered in selling his wood. It also deterred buyers who went where they could get it cheaper. "The less wood cut the less revenue there was for the Province." The Hon. Mr. Flynn urged that this was not a patriotic policy, and that in this respect they should imitate Ontario. "We should keep our riches for ourselves." The motion was rejected, after which His Honour the Lieut.-Governor prorogued the Legislature.

The Montreal *Herald* of May 15th contained an elaborate answer by the Hon. Lomer Gouin to the allegations made in the Legislature by the Hon. L. P. Pelletier regarding the management of the Quebec Bridge. He concluded as follows: "All our friends of the Opposition were very glad to see Mr. Parent take up the enterprise when so many before him had abandoned the idea of its construction; especially at a time when there were only difficulties ahead. Now that the Bridge is an accomplished fact, Mr. Parent's adversaries, not to say enemies, are doing all they can to deprive him of the credit of carrying through a big enterprise. That is why they find such incompatibility between Mr. Parent's position of Premier of the Province and President of the Company." Meanwhile, the death of the Hon. H. T. Duffy, Provincial Treasurer, on July 3rd, had deprived the Liberal party in the Province of its foremost English representative, and aroused much interest as to his successor. The subject was more or less discussed during the three months in which the vacancy existed, and the name of Mr. W. A. Weir, M.P.P., was frequently mentioned, as well as that of the Hon. J. C. J. S.

The Hon. J. C. J. S. McCorkill, M.P.P.

Sworn in as Provincial Treasurer of Quebec on October 17th, 1903.

John Alexander Mathieson, M.P.P.

Appointed Leader of the Opposition in Prince Edward Island, April 30th, 1903.

McCorkill, M.L.C., who, on October 6th, was finally sworn in at Quebec as Provincial Treasurer. Mr. Weir became also a member of the Government without Portfolio. On October 17th the new Ministers were banqueted in Montreal. Two days before, the Hon. Mr. McCorkill—after resigning from the Legislative Council—had accepted the nomination for Mr. Duffy's former seat in Brome.

Nominations took place on October 22nd and Mr. D. A. Manson was the Conservative candidate. A keen election contest followed into which the Conservative organizers, Messrs. L. P. Pelletier and M. F. Hackett, threw themselves with vigour, while the Hon. Messrs. Fisher, Turgeon, Weir and Gouin aided the Treasurer. Incidentally, the Premier sent a letter to the Quebec *Chronicle* defending himself against certain charges *re* the Quebec Bridge which had been made by the Montreal *Gazette*. On October 29th the election was held and resulted in the return of Mr. McCorkill by 1,556 to 1,228 votes. Meantime, there had during the year been various rumours as to the Hon. Mr. Parent's intention to retire from office. In May the allegation was that he intended to accept a position on the new Federal Railway Commission. To the Quebec *Telegraph* of May 27th the Premier finally spoke in very implicit terms upon this subject. After declaring the rumours to be the work of political enemies and regretting that the gossip was becoming current amongst political friends, he declared that he had never been approached in connection with any Dominion appointment, and then proceeded: "I am still Premier and I will hold on to the office as long as the plebiscite of the Province permits me, and when I lose the confidence of the electors, and not until then, will I tender my resignation, notwithstanding the many rumours to the contrary." Later on this talk was revived and, on October 27th, *La Patrie* of Montreal stated that the retirement was imminent, and that Mr. Henri Bourassa, M.P., would succeed to the position. Following this lead of Mr. Tarte's the Conservative papers magnified the rumour in different forms and discussed the succession as lying between the Hon. Messrs. H. Archambeault, Lomer Gouin and Adelard Turgeon. Nothing further came of it, however.

French-Canadian Aspirations and Ideas

Two incidents of importance in the consideration of Canadian public sentiment occurred in the Province of Quebec during the year. One was the annual St. Jean Baptiste celebration; the other was the announced position and policy of the Canadian National League. In connection with the former an interesting discussion developed during June as to the national flag of the French-Canadians. A section agitated for the adoption of the Sacred Heart as the popular emblem, while the other stood by the old Tri-Colour. The former was declared by the one school to be best fitted for a religious banner; the latter was represented on the other hand as being the flag of the French Revolution. At the Fête

Dieu, which was celebrated in Montreal with unusual pomp and ceremony and as practically a national holiday, on June 14th, the new flag was very largely carried and was strongly encouraged by the Church. On June 23rd the St. Jean Baptiste celebration commenced at Montreal with an immense illumination and bonfire at Lafontaine Park where 20,000 people listened to the ancient songs of their race in the New France of to-day. On June 24th a very large procession passed through the streets of Montreal and this event was succeeded by the formal and stately unveiling of a statue of the late Archbishop Bourget and, in the evening, by the presentation of an original drama (La Drapeau de Carillon, written by Senator L. O. David) at the Monument National. On the ensuing day the new Church of St. Jean Baptiste was consecrated and in the evening covers were laid for 3,000 persons at the greatest banquet ever held in the city. It was a memorable gathering and instinct with the lightness and brightness of the French race. Mr. Noé Leclair, President of the Society, was in the chair, and with him, or near him, were Mayor Cochrane, the Hon. Messrs. R. Prefontaine, L. O. Taillon, Lomer Gouin, R. Dandurand, L. O. David, J. I. Tarte, L. O. Loranger, L. P. Pelletier, T. Chapais, P. E. LeBlanc, Pascal Pourier, Mr. F. D. Monk, M.P., and Mr. J. X. Perrault. The principal speeches were perhaps those of Messrs. Prefontaine and Tarte and each was marked by a broad Canadian sentiment.

Following this came active work and public evidences of influence and progress on the part of a Provincial organization called "The Canadian National League." The policy of the League, as translated from its printed platform and official pamphlet, includes various references to Imperial relations and interests, and then deals at length with internal politics and policy. The importance of its opinions lay in the alleged possession of large branches at Quebec, Montreal, Sorel and St. Hyacinthe with 10,000 members and with smaller branches in many country parishes. The domestic platform was as follows:

1. Absolute maintenance of the rights guaranteed to the Provinces by the Constitution of 1867, as intended by its authors. Respect to the principle of dual language and of the right of minorities to separate schools.

2. Modification of the basis of the Federal subsidies to the Provinces by the following means:

(a) Abolition of the subsidy especially designated for the maintenance of the Legislatures and proportionate increase of the subsidy per capita.

(b) Determination of the subsidy per capita for each Province according to the population as found by the latest Census.

3. Administration of criminal justice by the Federal authority at its own expense.

4. Nomination of all judges of civil courts by the Provincial Governments.

5. Determination of our fiscal policy from the exclusive point of view of Canadian interests.

6. Abolition of the system of State subsidies to all private enter-

prises (railways, steamships, etc.). Participation of the State in such enterprises (if it is essential to the public interest) as shareholder only, and on the same conditions as other shareholders, with the added rights of a privileged creditor.

7. More efficacious exercise by the Government of its right to regulate the tariffs of railways and determining the route and termini of railways.

8. Adoption by the Provinces of a more active colonization policy and one more in harmony with their respective needs. Exclusive control by the Ministers of Colonization of the sale of lands for agricultural purposes.

9. A more equitable distribution among the different parts of the Dominion of the moneys devoted by the Federal Parliament for immigration and colonization.

10. Substitution for the present system of the alienation of our water-powers by a system of sales by auction.

11. Immediate reform of our system of exploitation of the forests, with a view to conserving our forests as a source of public revenue.

12. The development of a school of patriotism, in order to give to the scholar a more just idea of the beauty of our history, and of the resources of our country.

13. More efficacious control of the operations of assurance companies and of financial operations in general—especially of stock exchange transactions.

14. Adoption of laws which will stimulate literary and artistic production in Canada. Control of copyright by Canada and adhesion to international agreements on the subject.

15. Stricter enforcement of existing laws in reference to the working classes and the adoption of new laws to safeguard the security of labour and the liberty of association.

Political Affairs in Nova Scotia

Political events in Nova Scotia during the year were not of a stormy character. On February 17th the Hon. Christopher P. Chisholm, M.P.P. for Antigonish, was appointed a member of the Government without Portfolio in place of the Hon. Angus McGillivray who had accepted a County Court Judgeship. The latter was succeeded in the representation of Antigonish County by Mr. Frederick R. Trotter who was elected by acclamation on January 27th.* At the end of the year, on December 24th, Mr. A. F. Stoneman, M.P.P. for Yarmouth, was appointed to the Legislative Council in place of the late Hon. William Law. Meantime, an interesting personal incident occurred in the latter body on March 24th when Sir Robert Boak, who for 31 years had been a member of the Legislative Council and for 25 years its President, was presented with a long and eulogistic Address from the members. "By an interesting and intelligent grasp of public affairs and the most assiduous attention to all measures of importance before us you have deserved and received the confidence and respect of your associates as presiding officer. You have always exhibited a deep concern for the advancement of public business and a high regard for the dignity and privileges of Parliament." On November 27th following it was announced that, owing to advanced years, he had retired from the chair of the Council.

* NOTE—Magurn's *Parliamentary Guide* gives this date as January 22nd but a letter received from Mr. G. W. Kyte, Assistant Clerk of the Nova Scotia House of Assembly, gives the above date.

The 33rd General Assembly, or Legislature, of the Province was opened at Halifax on February 19th. After the unanimous election of Mr. F. A. Lawrence as Speaker of the House of Assembly the usual Speech was delivered by the Hon. A. G. Jones, Lieut.-Governor. In it reference was made to the King's illness and Coronation; to the prevailing prosperity and business activity; to the gratifying progress made by agriculture in the Province and the improvement in the matter of stock raising; to the flourishing condition of the mining industry and especially to that of coal; to the progress of railway enterprise and notably the surveys of the projected line from Halifax to Yarmouth and its consolidation with the Central Railway running from Middleton to Lunenburg; to the proposed construction of a Railway from Halifax Harbour to the Strait of Canso and of one connecting the Inverness Coal Mines with the Intercolonial Railway, together with the commencement of work upon the Middleton and Victoria Beach Railway; to the hoped-for readjustment of financial relations with the Dominion. The Address was moved by Mr. A. K. McLean, seconded by Mr. M. H. Nickerson, and was passed on February 20th without division but not without the usual speeches by the Leader of the Opposition and the Prime Minister in review of the general situation.

The criticisms of Mr. C. E. Tanner came first. He dealt with "the pittance of royalty" paid into the revenues of the Province by the Dominion Coal Company in return for their great privileges and enormous profits; claimed that it was the Conservative protective policy at Ottawa which had made the iron and steel industry possible and not the policy of the Provincial Government; asked why the pressing question of technical education had not been looked into by a Commission and the general condition of education improved; declared the alleged agricultural progress to be doubtful and the official Reports to contain contradictory statements and to show an absolute dearth of statistical information; stated that the two chief railway projects supposed to be now under way had been promised the Province for 20 years and that the contract for the Halifax and Yarmouth line involved enormous subsidies of $13,500 a mile and was merely the result of a desire to carry the last general election; pointed to the great land and timber interests of Nova Scotia and to the "paltry pittance" of $13,000 a year which was now being obtained from a splendid heritage which he feared was practically exhausted; denounced the management of the public highways upon which he declared that $3,000,000 had been spent since 1882 with no visible results or improvements; declared that the road money had been used to strengthen the Government's political position and that municipalities had been stripped of their powers; while the time of the Legislature and the Province had been wasted upon Repeal agitations, Home Rule for Ireland and Commercial Union agitations, questions of Senate reform and Legislative Council abolition instead of practical and useful Provincial work.

The Hon. G. H. Murray in his reply pointed to various legislative Acts for improving the condition of the miners; stated that the Dominion Coal Company had no franchises or privileges which were not open to the acceptance of any individual or corporation in the world upon the same conditions; pointed to the gradual raising of the royalty on Coal from 7½ to 12½ cents per ton and to the Opposition's former attitude of hostility to this policy; admitted that Federal protection might have been helpful to some extent in this connection though their own legislation had been still more so; declared that Nova Scotia had taken the most advanced ground on manual training and precedent to that of Sir William Macdonald; regretted the delay in the Agricultural College matter but thought the farmers were not themselves united as to its desirability and that the Government would have made a serious mistake if they had carried out their original policy; claimed in the Halifax and Yarmouth Railway affair that Mackenzie and Mann were well able to execute their contract, that the amount granted was an advance, not a subsidy, and that every dollar of the $13,000 per mile was secured by a first mortgage on the enterprise; declared that the Government had deliberately adopted their road policy of building iron and steel permanent bridges and providing road-making machinery for the municipalities.

As to agriculture the Premier stated that the Government were spending $40,000 a year upon its encouragement or four times as much as their Conservative predecessors; that since 1894 they had given $12,000 in bonuses to creameries; that they had established a Model Farm and Agricultural School at Truro, aided the School of Horticulture at Wolfville and the Nova Scotia Farmers' Association; that they had doubled the number of Agricultural Societies and increased their grants to $10,000; established model orchards of two acres in every county outside the fruit belt, organized a Travelling Dairy School and arranged in the past year 334 farmers' meetings with a total attendance of 15,562.

The first important debate during the Session was of an historical and academical character and gave scope for some speeches of mingled eloquence and culture. It was on March 18th that Mr. A. K. McLean moved in the House of Assembly that "in the opinion of this Legislature a monument or memorial should be erected in Nova Scotia to the memory of the late Joseph Howe and that the Government of Nova Scotia should erect, or assist in the erection of the same." His long speech was a study of the political history of the great tribune of the Province. Mr. E. M. Macdonald followed in a speech which covered Howe's career as a pioneer Imperialist. "He was the originator of the policy of Imperial Federation in the British Empire. Over and above any other principle that animated his life he was a Britisher." Mr. George Patterson, Mr. M. H. Nickerson and Mr. M. E. Keefe—all Liberals—addressed the House and then the Hon. Mr. Murray

briefly stated that the Government had considered the matter and would later on ask the Legislature for an appropriation. This was done at the close of the Session.

On March 23rd a debate took place upon the question of auditing the public accounts—Mr. C. E. Tanner with his one Conservative supporter fighting the subject as energetically as if he had a large following in the House. He asked for a complete yearly examination and audit by a qualified Auditor whose tenure of office, salary, etc., should be fixed by statute and who should be responsible to the House. The Premier in opposing the motion expressed the strongest desire to have an efficient system, and expressed his preference in the form of an amendment declaring for a quarterly audit of the accounts, under the terms of the Acts of 1901, by a person chosen from time to time and without the expense incurred in the appointment of a permanent and specially-paid official. Finally the amendment carried by the usual overwhelming Government majority.

The Nova Scotia Eastern Railway contract caused a prolonged discussion on March 25th. Under its terms the Government undertook to grant a subsidy of $5,000 a mile to a railway running from Dartmouth or Halifax Harbour to the Strait of Canso. The measure was introduced by the Hon. Mr. Drysdale. The question of enfranchising Dominion Government officials in the Province for Provincial elections was keenly debated on March 28th in connection with Mr. D. D. McKenzie's measure. It was opposed by the Hon. David McPherson, a member of the Government without Portfolio, on the ground that the original disfranchisement had been carried out by local Liberals at a time in the early Seventies when the Conservatives were in power at Ottawa and because of alleged Conservative coercion in voting against Provincial Liberal candidates. There was good reason for the action then, no complaint had been made since, and the Dominion employees in the Province would rather not be dragged into politics in any way. "Our party was now in power at Ottawa and it was hardly fair to enfranchise the men that we thought should not have votes when our political opponents were in power." Mr. McKenzie, in reply, pointed out that in 1901 and 1902 a similar measure had passed the House without opposition, but had been thrown out in the Council.

The reason for the original enactment had been the keeping of the Province away from Dominion influences. "Now that the old order had passed away and we were an united and happy people these old matters of distinction should be forgotten." The Hon. Mr. Drysdale, Commissioner of Works, also opposed the legislation. The original reasons for passing the Act were just as strong to-day against the repeal of it. The Hon. Mr. Longley declared himself in favour of the change as did Messrs. E. M. Macdonald and M. E. Keefe. The Bill did not, however, pass the Council. Another subject of discussion (April 1st) was

the Hon. Mr. Drysdale's measure authorizing the acquisition of the Nova Scotia Central Railway by the Halifax and Southwestern Company—better known as Mackenzie and Mann's Line.

The Redistribution measure at Ottawa, reducing the representation of Nova Scotia by two, was considered in the Assembly on April 4th. Mr. E. M. Macdonald maintained the New Brunswick contention that under the British North America Act the word "Canada" in this connection meant the four original Provinces only and that, therefore, this reduction was not necessary. The Hon. Mr. Longley was inclined to differ from this view but said that the Government would join the other Provinces in the matter before the Supreme Court and would abide by the Judicial interpretation of the Constitution. Two days later the Premier introduced the Inter-Provincial Conference Resolutions of 1902 and in his speech pointed out that their acceptance at Ottawa would give Nova Scotia $177,659 a year additional revenue. Mr. C. E. Tanner dealt at length with the subject from a Dominion as well as a Provincial point of view; quoted marked differences in the Resolutions of the Conference held at Quebec in 1887 and those of 1902; and twitted the Government upon the abandonment of their Senate reform and Legislative Council abolition platforms. The Hon. Mr. Longley referred to the financial needs and necessities of the Provinces and the great desirability as well as justice of a larger revenue from the Dominion. The Resolutions were adopted without division.

Amongst other items of legislation passed during this Session was a measure consolidating school sections throughout the Province; a Bill amending the Game laws so as to further protect the Moose from slaughter; measures increasing the Government grants to Miners' Relief Societies; amending the Liquor Act so as to compel the labelling of liquor sent by rail or other mode of transit; granting to Sydney, C.B., a City Charter; giving a grant to encourage rural school libraries and incorporating Fishermen's Bait Associations; and an Act for the encouragement of deep gold mining. The Legislature was prorogued on April 11th.

A special Session was opened on December 2nd mainly in connection with the position of the Dominion Iron and Steel Companies. In his Speech the Lieut.-Governor referred to the urgent nature of the business demanding attention and suggested an adjournment after its consideration; regretted the failure in some branches of the Fishing industry; mentioned the continued progress of mining and the special improvements in connection with gold mining; referred to the agricultural and fruit interests, the nearly-completed Agricultural College at Truro, the state-owned Provincial Sanitarium for Consumptives now nearing completion at Kentville, and the active work going on upon various railway enterprises. The Address was moved by Messrs. George Patterson and George Mitchell and passed without division on December 4th after speeches by Messrs. Tanner, Murray and Macdonald.

Incidentally, the Premier explained why special legislation was necessary to enable the Dominion Steel and Coal Companies to effect their desired separation. His measure, which was introduced on December 5th, ratified the agreement of the two Companies to separate and provided that the Dominion Steel Company mortgage should not thereafter be an encumbrance on the Dominion Coal Company. Two days later Mr. Murray presented a Bill giving the latter Company power to increase its capital for the further development of its properties and providing for a readjustment of its finances and securities. On the same day the Hon. Mr. Drysdale introduced a measure giving the Halifax and South-Western Company—which had already spent $1,000,000 on its road—an extension of the time allowed for completion of the work. The measures passed in due course and the House adjourned on December 11th. Meanwhile, in the Legislative Council the chief incident had been the appointment, on December 2nd, of the Hon. Monson H. Goudge as President in succession to Sir Robert Boak.

General Elections in New Brunswick

During the latter part of 1902, vigorous preparations had been made in this Province for the ensuing general elections, but it was not until February 5th of the year under consideration that dissolution of the Legislature was actually announced, with writs returnable on the 28th of the month. The Tweedie Government, which was a continuation of the Ministry so long presided over by the Hon. A. G. Blair and his successors—the Hon. James Mitchell and the Hon. H. R. Emmerson—was nominally non-partisan but practically Liberal in complexion, and was about to take the field as professedly so. It had the great advantage of going to the people with 38 supporters in the late Legislature as against 7 Oppositionists under the lead of Mr. J. Douglas Hazen, K.C. The latter had, however, obtained support in the preceding September from Mr. W. Albert Mott, M.P.P., who had become dissatisfied with the policy of the Government regarding some timber limits in his constituency of Restigouche. On February 13th, another supporter of Mr. Tweedie, in the person of Hon. G. F. Hill, who had for some time been a member of his Government, announced his resignation and was thought to be supporting the Opposition. Meanwhile, a Liberal paper, the St. John *Globe*, under the control of Senator J. V. Ellis, had been vigorously opposing the Government.

The position and policy of his Ministry were presented by the Premier, the Hon. Lemuel J. Tweedie, in an elaborate manifesto to the electors of the Province, under date of February 9th. He commenced by denying certain charges of extravagance in administration and submitted as proofs a Report of the Public Accounts Committee signed by members of both parties in the Legislature—James Baines, W. T. Whitehead, O. M. Melanson, W. F. Humphrey and C. J. Osman (Chairman). In this connection he declared that the Opposition Leader had never yet recorded his vote against expenditures proposed by the Government. He expressed regret

at the desertion of Mr. Mott, and defended the Crown Lands policy of the Government at some length—especially in relation to the Restigouche or Muskoka Land Company charges. The Government, he claimed, had treated all alike, had sold the lands to Messrs. Campbell, in Restigouche, as well as elsewhere, by public auction and at as high a price as was then attainable, and had not compelled licensees to cut timber upon their lands in the case mentioned because the industry was depressed at the time and there was no demand for the product. "The sensible view to take of this matter is that the Department should require no more lumber to be cut annually than will fairly supply the market and the demand. Because the Campbells may have sold their lands at an advanced price is no charge against the Government. Any holder of licenses to-day is in the same position." As it was, the Shives Lumber Company, the purchasers in question, proposed to build up a great industry, and it was not for the Government to block an enterprise which would benefit the country and increase the revenue $25,000 per annum in stumpage dues. The Premier proceeded to emphatically deny that the Government were in any way controlled by the lumbermen, and instanced several sales of Crown Lands made in spite of the opposition and protests of lumber operators. Reference was then made to various acts of public policy which he deemed of advantage to the Province, and which may be briefly summarized :

1. Through the encouragement given by us, with the unanimous approval of the Legislature, a Railway is now nearly completed into the best portion of the coal areas (Counties of Queens and Sunbury) which will, as rapidly as possible, be extended to Fredericton.

2. The policy inaugurated by Mr. H. R. Emmerson, his predecessor, of "developing our extensive oil fields is resulting in success, and it will not be long before a large number of wells will be in operation and one or more refineries erected."

3. The policy of erecting permanent bridges, which was initiated by Mr. Blair's Government and which had since been pursued, "while it has necessarily added to the bonded indebtedness of the Province, has resulted in the erection of a large number of steel bridges with stone foundations, which are of excellent design, thoroughly constructed, and will last for generations."

4. Under his Administration "the extraordinary and well-sustained development" in the dairying and other agricultural interests of New Brunswick had been continued, and in this connection he quoted the encouragement given to the growth of wheat by bonuses granted for the establishment of Imperial Roller Flour Mills and the consequent erection of 20 mills of modern design ; the aid given to the annual Winter Fair at Amherst, on the border of Nova Scotia ; the encouragement given to the importation of horses, and the possible erection of a Provincial College of Agriculture.

5. The management of the Provincial finances and especially a redemption of the 4 per cent. and 5 per cent. bonds of the Province and their conversion into 3 per cents. which had netted to the Province 96, free of all commissions, on a sale of $1,000,000 worth.

6. The persistent and successful manner in which the Eastern Extension claim against the Dominion authorities had been pressed and the final application of the money so obtained to the reduction of Provincial indebtedness.

As to the future Mr. Tweedie promised a progressive policy; a vigorous pressing of the claim for readjustment of the Provincial Subsidies; action looking to the settlement of the Halifax Award matter under which a large sum of money had gone to the Dominion instead of, as now claimed, to the Provinces; opposition to any reduction in New Brunswick's representation at Ottawa; opposition to any reduction in the stumpage dues on lumber. Mr. Hazen's platform, as enunciated in the Legislature on April 2nd, 1902, demanded a secret ballot; a cheapening of legal process in connection with election trials; the submission of all Government contracts to public tenders; the appointment of an Auditor-General and a lessening in the number of the Executive; reduction of the members in the House of Assembly to 38; more equitable expenditure in the different counties of the road and bridge moneys; assistance to dairying, pork-packing factories, and to the export of agricultural products; appointment of a Commission to investigate the Provincial Lunatic Asylum; reform in the election laws and reduction of the Attorney-General's dues or remuneration; reduction in the cost of public printing, in the travelling expenses of members of the Executive and in the controllable expenditures of the Province; the passage of legislation making it unlawful for any member of the House outside of the Executive to receive payment for services rendered the Province; increase in the salaries paid to school-teachers as soon as the Provincial finances will permit and the printing and publication of school books within the Province; expenditure of by-road appropriations by the County Councils through their own Commissions.

Nominations took place on February 21st and there were contests in every constituency; although not in all cases between the Government and direct Opposition forces. The chief feature of the fight was the presence and active work of the Hon. A. G. Blair, M.P., Dominion Minister of Railways. Opposed to him in this connection, as well as to the Government, was the St. John *Globe*. On February 14th this old-time Liberal organ declared that: "Many of the difficulties which beset the Local Administration are due to the want of interest throughout the Province in Premier Tweedie. Why should the Liberal party split up over Mr. Tweedie, to whom in his own personality they are indifferent and whose coming and going as a public man has not warmed them to him? It is not worth while for the Liberal party in New Brunswick to allow itself to be split up into factions for the sake of a politician who has been indifferent to its interests and opposed to its principles, until apparently self-interest compels him to seek Liberal support." On the other hand Mr. Blair in his speech at St. John on February 16th paid the Provincial Premier the following tribute:

> Mr. Tweedie is a good enough Liberal for the distinguished chieftain of the Liberal party. He has left the Conservatives but some of these people may say that he did not do so until after the last election. Now

THE HON. LEMUEL J. TWEEDIE, M.P.P.
Prime Minister of New Brunswick.

J. DOUGLAS HAZEN, K.C., M.P.P.
Leader of the Conservative Opposition in New Brunswick.

The New Brunswick General Elections.

what did he do in the last election in the County of Northumberland? I know that what he did was the result of a conference with me on the subject. He did exactly as we had agreed he should do in that contest, and I am satisfied with his conduct. He helped the Liberal party materially in the counties along the North Shore. Therefore, I say, that for me the Premier of New Brunswick is a good enough Liberal to merit my fullest confidence. He is a manly man. He could not do a dishonourable thing. He is a noble, straightforward and plucky little fellow.

The Minister went on to explain his place in the contest. "I am here because I believe it is in the interests of the Canadian people, as it is in the interests of St. John and this Province, that you should not at this juncture strike a blow or do an injury to the Government which obtains at Ottawa at the present time. . . . Why should you not support the Local Government under such circumstances? Every man among them is a Liberal. If you are to carry on the government of this Dominion successfully by the Liberal party you must recognize the principle that Dominion politics must dominate the politics of the Provinces." *

On February 21st Mr. Blair and Mr. Douglas Hazen met in Sunbury and discussed the questions at issue. Two days before the Minister had spoken again in St. John. He referred at length to the requirements of the Port and "felt safe in assuring the people of the city that the Government of the Dominion would be sympathetically disposed towards any calls which they might make for assistance in this regard." He again pointed to the desirability of strengthening the Dominion Government by proving the strength of himself as Liberal leader in the Province. To this end Mr. Tweedie should be returned to power. "The fight was between Toryism and Liberalism." He was very unwilling that the Editor of the St. John *Globe* or of any other Liberal paper in New Brunswick should become Dictator of the Liberal party. As to Senator Ellis personally, he had never known him to be unwilling to take advantages coming to him as a supporter of the party, but when it came to the party taking his advice that was another matter. Mr. Blair's speech concluded with an appeal to Liberals "to be true to their great leader, Sir Wilfrid Laurier, as they were in the memorable fight of 1900." He also spoke at Moncton on February 26th, urged the people to keep the Liberal flag flying at Fredericton as well as Ottawa and intimated that the Dominion Government were considering large improvements to the Intercolonial system—including locomotive works to be established at Moncton. He referred to the growth and prosperity of that Railway under Liberal rule and hinted at a Western connection for the road. Amongst other Dominion politicians aiding the Government in the contest were Messrs. H. R. Emmerson, M.P., H. J. Logan, M.P., and D. C. Fraser, M.P.

The Opposition Leader put up as good a fight as was possible under the circumstances, but the influences against him were, of

* Note—St. John *Telegraph*, February 17th, 1903.

course, too strong to be overcome. Aside from the entrenchments and personality of Mr. Blair and the old-time campaigning skill of the Hon. Mr. Pugsley, the Government had a very effective supporter and speaker in the Hon. H. A. McKeown, one of their candidates in St. John and a member of the Government without Portfolio. The fight in that city was a very keen one, the Government candidates being Messrs. McKeown, Edward Lantalum, D. J. Purdy and George Robertson. Those of the Opposition were Mr. G. J. McInerney, an eloquent former member of the Dominion Parliament, Mr. W. Frank Hatheway and Messrs. Shaw and Wilson. In Charlotte County an interesting incident occurred when the two parties locally agreed to a compromise by which two Liberals and two Conservatives should be nominated and elected. One of those signing the agreement was the Hon. G. F. Hill, a member of the Government without Portfolio. Some hitch occurred, however, and eventually the arrangement was repudiated by a Liberal Convention which nominated its own candidates with the Premier's approval. Mr. Hill immediately resigned from the Government. The Conservative Convention, meeting at the same time, accepted the agreement, however, and nominated Messrs. W. C. H. Grimmer and George J. Clarke who had been amongst those signing it. In the end each party ran its own four candidates—Mr. G. F. Hill standing as an Independent on the Opposition ticket. The election took place on February 28th and resulted in the return of 35 Ministerialists—including some Conservatives; one Independent Liberal and 10 Oppositionists or Conservatives. The following particulars may be given:

Constituency.	Member.	Politics.
Albert	C. J. Osman	Min.
"	S. S. Ryan	Lib.
Carleton	B. F. Smith	Cons.
"	J. K. Flemming	"
"	W. P. Jones	Lib.
Charlotte	T. A. Hartt	Cons.
"	W. C. H. Grimmer	"
"	G. J. Clarke	"
"	Hon. G. F. Hill	Ind.
Gloucester	Joseph Poirier	Min.
"	T. M. Burns	"
"	John Young	Lib.
Kent	James Barnes	"
"	J. B. Goguien	"
"	Lieut.-Col. U. Johnson	Min.
King's	G. G. Scovil	"
"	O. P. King	Lib.
"	Hon. W. Pugsley	Min.
Madawaska	N. A. Gagnon	"
"	Thomas Clair	Lib.
Northumberland	J. Morrissy	Opp.
"	W. S. Loggie	Lib.
"	Hon. L. J. Tweedie	Min.
"	D. Morrison	Cons.
Queen's	Hon. L. P. Farris	Lib.
"	I. W. Carpenter	Min.

Constituency.	Member.	Politics.
Restigouche.....	Hon. C. H. LaBillois.....	Min.
"	H. F. McLatchy.....	Lib.
St. John City.....	Hon. H. A. McKeown.....	"
"	George Robertson	"
"	D. J. Purdy.....	Min.
"	E. Lantalum	Lib.
St. John County.....	Hon. A. T. Dunn.....	Min.
"	Dr. R. C. Ruddick.....	"
Sunbury.....	Parker Glasier	Cons.
"	J. Douglas Hazen.....	"
Victoria.....	James Burgess, Jr.....	Min.
"	J. F. Tweeddale.....	Cons.
Westmoreland.....	A. B. Copp.....	Lib.
"	Hon. C. W. Robinson.....	"
"	Hon. F. J. Sweeney.....	"
"	C. M. Leger.....	"
York.....	W. T. Whitehead.....	"
"	G. W. Allen.....	"
"	G. F. Burden.....	"
"	J. A. Campbell.....	Min.

The City of St. John gave the Liberals a clean sweep. Mr. Blair was naturally delighted at the result. To the Toronto *Globe* correspondent at Ottawa, on March 2nd, he declared that 36 Ministerialists had been returned and made the following statement of the general situation: " For some years past a very large majority of the members elected as friendly to the Government have been Liberals. During each term this became more so, and a larger percentage of Liberals have been in the Ministry. Upon the dissolution of the Legislature in December last, the political situation had so far changed that every member of the Government was a pronounced Liberal. It was decided that the time had come when the contest should be fought out upon Dominion party lines to avoid further complications."

The Conservative view was very strongly expressed in an interview given by the Hon. George E. Foster to the Toronto *News* of March 17th, in which he declared that the New Brunswick Government had been tottering to their fall when Mr. Blair rushed to their aid and with a campaign fund of $100,000 saved the situation.

Political Affairs after the Elections

On March 25th it was announced that the Hon. H. A. McKeown, K.C., had been appointed Solicitor-General—a revived position in the Executive—and that Mr. Frank J. Sweeney, M.P.P., of Moncton, would be a Member without Portfolio. The only criticism of Mr. McKeown's appointment was the Opposition claim that the position itself was entirely unnecessary and that six paid Ministers in a Province such as New Brunswick were too many. On April 7th the new Minister was re-elected in St. John by acclamation. Meanwhile, the first Session of the new Legislature had been opened at Fredericton on March 26th by Lieut.-Governor the Hon. J. B. Snowball.

After Mr. Clifford W. Robinson had been elected Speaker of

the House of Assembly His Honour delivered a Speech in which he referred to the recent successful progress of agriculture and the judicious encouragement given it by his Government; to the promising condition of the mining industry and prospects of a revenue therefrom; to the illness and Coronation of His Majesty the King; to the unremitting efforts of the Provincial Government to effect a settlement of the Fisheries question with the Dominion authorities and of their claims in connection with the Halifax Award; to the hope that the united action of all the Provinces as expressed in the Conference of 1902 would result in a readjustment of the Provincial subsidies; to the reference of the question as to reduction in the representation of New Brunswick at Ottawa to the Supreme Court of Canada; to the proposed re-afforestation of Crown timber lands; to the intended amendment of the law as to the liability of employers for injuries to employees; to the now completed consolidation of the statutes; and to the transfer to the Crown by the New Brunswick Railway Company of certain lands for settlement purposes.

The Address in reply was moved by Messrs. W. P. Jones and J. F. Tweeddale. The former mentioned the share of the Halifax Award which New Brunswick hoped to obtain as being $2,000,000—including principal and interest. Mr. Hazen in replying for the Opposition deprecated the appointment of a Solicitor-General and the existence of six salaried Ministers when Manitoba had but four and Nova Scotia three. As to the recent elections he spoke feelingly: "In most of the constituencies the conduct of the Local Government was the last thing discussed on the hustings. In scarcely a single county did they meet us on that issue. The powerful Minister of Railways and Canals came into this Province and made it the issue that the Liberal party should be supported." His speech continued at some length to review the policy of the Government.

The Hon. Mr. Pugsley, Attorney-General, replied on March 30th, and denied the statement that the Government in the recent elections had not stood upon their own platform. They were proud of Mr. Blair's aid but they were also proud of their own record. He charged the Opposition with having precipitated the party issue by their own actions and utterances in preceding years and defended at length the Government's attitude regarding the Fisheries, Subsidies, representation and the Halifax Award. In the New Brunswick Railway Company matter he explained that through the efforts of the Hon. Mr. Costigan the Province had been most liberally dealt with and that 16,000 acres had been transferred to the Government at 25 cents an acre. It was proposed to survey this land off into 100-acre lots and open it for settlement at 35 cents per acre.

Speaking in the debate on the following day the Hon. G. F. Hill declared himself fully in accord with the acts of the Government up to the time of his withdrawal and said that nothing

had occurred since then to shake his confidence in them. After a number of brief speeches, including one from the Premier, the Address passed without a division on April 3rd. Meanwhile, an important subject of special discussion had been disposed of. On March 27th Mr. Hazen drew attention to the proposed incorporation at Ottawa and in the State of Maine of the Winding Ledges Dam Company. In his opinion the construction of this Dam would be contrary to the 3rd Article of the Ashburton Treaty and be a serious injury to the logging industry of the St. John River where $330,000 a year was expended in labour connected with floating Quebec lumber down the River. The Opposition Leader's Resolution recapitulated these conclusions and deprecated any action looking to the Company's incorporation. Mr. George Robertson supported the Resolution and the Hon. Mr. Pugsley invited delay. He explained his connection with the original Company and said that the people of Madawaska seemed to favour the project. Anyway, the matter had better go to a Select Committee which might report at once. This proposal was approved and Messrs. C. J. Osman, the Hon. L. J. Tweedie, J. Douglas Hazen, G. Robertson, the Hon. Mr. Pugsley, G. W. Allen and J. K. Flemming were appointed. Various lumbermen and others were examined and on April 1st the Committee reported that the project would be "injurious to the general interests of the Province." The Report was approved on a non-party division of 31 to 7.

On April 6th Mr. W. S. Loggie's Resolutions looking to the establishment of a secret ballot were discussed and passed with an additional clause proposed by Messrs. G. F. Hill and A. B. Copp declaring that the legislation in question should be of a non-party nature and that a Select Committee of seven members, including the Premier and the Opposition Leader, be appointed to submit to the House a measure embodying the necessary changes. The Committee was duly appointed and on May 7th reported, through the Premier, a series of recommendations and suggestions. There was no time, he further explained, to introduce legislation this Session but it would be presented at the next one. With this statement and the conclusions generally Mr. Hazen expressed concurrence. On April 8th the Premier moved the lengthy Resolutions regarding Subsidies approved by the Quebec Conference and in doing so dealt with the financial position of the Province. More and better bridges were required, agriculture had to be aided, mines to be opened up, steamship lines to be helped, railways to be constructed, roads to be improved, higher remuneration to be given to teachers. "If we had this $130,000 which is claimed for New Brunswick under the Quebec Resolutions it would materially assist us." On the next day the motion passed after an amendment proposed by Mr. Hazen had been rejected by 25 to 9. On April 15th a Resolution approving the claim of the Maritime Provinces and Quebec to a portion of the Halifax Award was passed by a vote of 25 to 9.

The Opposition amendment providing that care should be taken against the Province, under such a readjustment, having to assume expenditures upon its Fisheries now carried by the Dominion authorities, was voted down by the same majority. Some discussion occurred in the House on April 28th as to the incorporation of the proposed New Brunswick Atlantic Railway Company. On the same day Mr. Morrissy, a Liberal member of the Opposition, repeated charges previously hinted at by him on March 31st and to the effect that the Surveyor-General had shown favouritism in the collection of stumpage dues. The Hon. Mr. Tweedie challenged him to move for an immediate investigation and to make a formal charge. Nothing having been done in this respect the Hon. Mr. Dunn moved and the Hon. Mr. Pugsley seconded on May 1st a Resolution recapitulating the charges as expressed in general terms by Mr. Morrissy, stating his refusal to do more than prefer specific charges "at such time as he thought proper," and declaring it to be the duty of the said member to forthwith formulate his charges and demand a Committee for their investigation. It was further stated that the Government were willing to continue the Session as long as might be necessary for the purpose of such investigation.

Mr. Hazen replied to this proposed Resolution by moving an amendment which described the regulations properly controlling the stumpage dues and the employment of lumber officials, and proceeded to recapitulate charges which had been made in the election as to flagrant violation of the law in the appointment of officials, the sale of the Muskoka lumber lands and the alleged failure to collect stumpage dues. He then moved for the appointment of a Select Committee to investigate fully "all matters connected with the administration of the Crown Lands of the Province," with power to examine members of the Government, etc., under oath and to call for all papers, etc., touching on the inquiry. This practical vote of non-confidence was, of course, voted down by 30 to 9 and the original Resolution carried on a similar division.

Mr. Pugsley's measure for granting compensation to injured workmen at the hands of their employers was discussed on May 2nd and eventually became law. Two days later the Government arrangements as to facilitating settlement on 50,000 acres of land which they proposed to re-acquire from the New Brunswick Land Company were submitted to the House. The Company would be obliged under these terms to sell to actual settlers at a rate to be agreed upon by the Governor-in-Council but at not less than 75 cents an acre. Other measures followed in rapid succession taxing outside corporations with branches in the Province; encouraging the manufacture of cars and rolling stock in the Province; and aiding in the construction of some small railway lines.

One of these latter lines was the Restigouche and Western Railway and the passage on May 8th of a measure giving it Government aid caused the Hon. George F. Hill to speak and vote

against the Government. He declared himself opposed to the principle of the Province endorsing railway bonds unless the road was clearly shown to be of great mercantile merit or a public necessity. On the following day the House prorogued after unanimously passing a Resolution demanding that the proposed Grand Trunk Pacific be an all-Canadian line and that its winter port be in the Maritime Provinces of Canada. During the Session 122 Bills were passed. On December 15th, following, Mr. Cyprien Martin, Liberal, was elected by acclamation in Madawaska to succeed the late N. A. Gagnon.

Political Affairs in Prince Edward Island

The first political event of the year in the Island Province was a Conference of the Conservative party held at Charlottetown on January 30th. Mr. Alexander Martin presided and in the course of the meeting the Hon. Daniel Gordon, M.P.P., the veteran Leader of the party in Prince Edward Island, intimated his intention of shortly retiring from that position. Resolutions were passed (1) favouring the Conservative policy of an adequate protection of all industries; (2) asking a guarantee to the Island of at least six representatives at Ottawa for all time to come; (3) condemning the manner in which mails were carried to and from the Island; (4) denouncing "the carnival of corruption and shameless bribery" which was said to have characterized Liberal methods in various constituencies during recent years; (5) approving the Conservative policy of 1896 in connection with the construction of branch railway lines on the Island; (6) eulogizing the work of Mr. R. L. Borden and the Hon. D. Gordon; (7) condemning recent Provincial Government legislation regarding the election law as making the clause against corrupt practices imperative and as actually offering inducements to electoral corruption; (8) expressing alarm at "the enormous indebtedness" incurred by the Provincial Liberal Administration, the consequent payment of $26,000 annually for interest, and "frequent and burdensome increases of taxation;" (9) denouncing the Provincial Government's "mismanagement of the public works and highways" and their bonusing of private enterprises with public money as being ruinous in principle and practice; (10) deploring the way in which the best teachers were leaving the schools and blaming the educational methods of the Provincial Government for this and for the decreased attendance of pupils. The Hon. Mr. Gordon was elected Hon. President of the Conference for the coming year and Dr. R. McNeill President. Mr. Edward Hackett, M.P., declined the Vice-Presidency and Mr. J. F. Arsenault, M.P.P., was elected in his place.

Early in the year the Premier (the Hon. Arthur Peters, K.C.), the Hon. Benjamin Rogers and the Hon. J. F. Whear went to Ottawa to discuss with the Federal authorities the question of a reduction in the Island representation, its claim to a share in the Halifax Award and the matter of increased Provincial subsidies.

In the *Patriot* of February 17th Mr. Peters stated that they had failed to convince the Ottawa Cabinet as to their right to retain six representatives and were also unable to obtain the assistance of other Provinces in its support. But it was to be submitted to the Supreme Court of Canada. In the Halifax Fisheries matter Quebec had joined with the Island and other Maritime Provinces and he was very hopeful as to the result and also as to the increased Subsidy claim.

On March 19th the 3rd Session of the 34th General Assembly of Prince Edward Island was opened at Charlottetown by Lieut.-Governor P. A. McIntyre. In his Speech reference was made to the illness and Coronation of the King; to the close of the South African War; to the work of the recent Provincial Delegation at Ottawa and the various claims presented by them on behalf of this Government; to the progress of agricultural interests on the Island and the increased efforts of the Government to effect improvements in existing conditions; to the loss which had followed the tying up of trade by ice conditions in the Straits; to the unsatisfactory state of telegraphic communication between the Island and the Mainland; to the great need of a consolidation of the Island laws. The Hon. S. E. Reid presided as Speaker and parties in the House were made up of 19 Liberals and ten Conservatives. The Address was moved by Capt. J. L. Read and Mr. Benjamin Gallant.

The Hon. Mr. Gordon's chief points in criticism were that favourable Federal action in the Halifax Award matter might result in depriving their fishermen of the Dominion bounty now granted in lieu of the interest on this Award and an expression of Provincial indebtedness to Prof. J. W. Robertson rather than to the Government for local agricultural development. The Premier declared his belief, in reply, that the claims for larger Provincial subsidies would be favourably considered. Other speakers followed and on March 26th Mr. W. A. O. Morson moved an amendment asking the Government to obtain from the Federal authorities an investigation of the causes which led to the recent stoppage in communication with the Mainland. Though he contended that this was not a non-confidence motion it was defeated by a party vote and the Address then passed.

The chief subject of discussion during the Session was the legislation proposed by the Government in connection with the Dominion Packing Company and its exemption from taxation; together with the grant of various other privileges in return for the establishment of a large pork-packing business and cold-storage system in Charlottetown. It was estimated that there had been on the Island some 40,000 hogs from year to year and this was to be only one-third of the number which the Dominion Packing Company proposed to kill and cure. In January they were offering to guarantee the farmers six cents a pound for hogs or to contract with them to pay the ruling Chicago price at delivery.

On April 15th the Hon. Mr. Whear moved in the Assembly the second reading of his measure granting 20 years' exemption from City taxes to the Dominion Packing Company. In Committee he would propose that this should be given only on plant and property beyond the value of $44,000. He stated that in presenting the measure he represented the City of Charlottetown and the wishes of the Mayor and Council. It was not a political but a business proposition. What the City and the Province needed most was capital and this measure would help in that direction.

Mr. George E. Hughes, seconded by Mr. H. J. Palmer—both Liberals—moved the rejection of the Bill. The former contended that the proposal had never been submitted to the citizens; that the legislation took control of the matter out of the hands of the City Council; and that the term of 20 years was, in any case, too long. The latter opposed the measure because it was in the interests of one individual; because it was an usurpation of the powers of the City Council; because the principle of exemption was wrong; because of a recent City meeting which opposed the proposal. During the ensuing debate most varied opinions were expressed upon the subject. Mr. B. Gallant strongly supported the measure on the ground of the need of new industries and the big business which this Company with its capital of $1,000,000 was already doing. He also referred to the farmers' interest in its cold-storage business. "But for the Company the price of pork would be much less."

The Hon. R. C. McLeod, a member of the Government without Portfolio, thought the interests of the city and the country were one in such a matter as this. He believed the majority of the citizens in Charlottetown were in favour of the measure and as a taxpayer he had every confidence in the power of the City Council to protect the interests of the city. The farmers highly appreciated the Company because they had established a permanent industry and helped to make the past year a most successful one. Mr. J. A. Mathieson opposed the measure because he thought all Companies should come in on the same conditions. Mr. W. A. O. Morson also spoke against it.

Incidentally some of the members were accused of being paid agents of the Company in the country districts and these charges caused some heated discussion. Finally, on April 22nd, the amendment was defeated by 15 to 13 and the House went into Committee on the Bill. There Mr. Whear carried his amendment making the plant and property assessable under the value of $44,000 and Mr. Hughes succeeded in passing one which restricted the exemption by the City Council to five years at a time. Meanwhile, the citizens' meeting referred to in the debates had been held in Charlottetown on April 3rd at the instigation of Mr. G. E. Hughes, M.P.P. The gathering was a crowded one. Mr. Hughes and Mr. H. J. Palmer, M.P.P., explained their objections and the Hon. Mr. Whear his position and a hostile Resolution then passed with one dissentient.

Incidental to this matter certain charges were made against the Hon. Mr. Whear by the *Guardian* of April 2nd and 3rd which alleged that he was a paid agent of the Dominion Packing Company. Mr. Whear at once demanded a Select Committee of the House to investigate the matter. This was moved by the Premier and carried with the Hon. B. Rogers as Chairman and Messrs. George Simpson and J. L. Read on the Government side and W. A. O. Morson and John McLean of the Opposition as members. The succeeding discussion of the matter was complicated by Opposition charges that the Hon. Mr. Rogers as Commissioner of Agriculture had sold some cattle to the Dominion Packing Company without tender. The first meeting of the Committee was held on April 8th and Mr. J. E. B. McCready of the *Guardian* appeared before it to look after his interests. On April 14th, however, the Hon. Mr. Peters informed the Legislature that the Provincial law officers, on looking into the matter, had discovered that the House had no power to administer oaths to witnesses or to punish for contempt or breach of privileges committed outside the House. Its privileges and powers were so indefinite in this connection that he could only ask for the discharge of the order appointing the Committee. This was done and Mr. Whear stated that he would seek some other method of redress. The matter of the cattle sale to the Packing Company caused a keen debate, on April 17th, and the Opposition censure was voted down by a majority in which one or two of the Liberal members refrained from voting. The high reputation and character of the Hon. Mr. Rogers prevented the charge from taking a very serious form although the *Guardian* took strong ground in denouncing his sale as "illegal, unfair, and wrong." The succeeding legislation of the Session, which prorogued on April 30th, was of purely local importance. There were 30 measures passed and approved by the Lieut.-Governor.

Meantime, the Opposition had been having a change in its leadership—preceded on April 15th by the appointment of the Hon. George Simpson to the Executive Council, without Portfolio. He succeeded the late Hon. Malcolm McDonald. On April 30th, at the close of the Session, it was announced that the Hon. Daniel Gordon, who had been in public life since 1866, a member of the Executive Council for 17 years and Leader of the Opposition since 1894, had resigned the latter position. At the age of 82 he now gave way to a younger man and Mr. J. A. Mathieson, who had entered the House in 1900, was chosen his successor. A young man of ability and a good speaker the latter had already reached the front rank and, although members such as Mr. John McLean and Mr. W. A. O. Morson, K.C., were suggested for the position, his choice was a unanimous one. A series of 14 Conservative meetings throughout the Island were at once arranged beginning with one at Wellington on June 15th and terminating at Malpeque on June 26th. The charges made during this period were that the Government had failed

to keep their pledges to the people; that in no year had they made ends meet financially and had encumbered the Province with a debt of $700,000; that the road-tax had been unduly increased and badly managed while the roads were neglected; that the cost of the schools had increased $20,000 while the teachers were paid less; that the standard of education was lower and the attendance reduced nearly 2,000.

Later in the year, under date of October 2nd, the Premier, the Hon. Mr. Peters, addressed to the press an able communication reviewing the steps leading up to the appeal which the Provincial Government had decided on July 17th to enter before the Judicial Committee of the Privy Council against the decision of the Supreme Court of Canada that the Province was not entitled, under the recent Census and Redistribution, to retain its six seats at Ottawa. He described the further procedure including the request for leave to appeal, the retaining of Mr. A. B. Aylesworth, K.C., to act with himself upon the case, and the expectation that it would be finally dealt with at the February (1904) term of the Judicial Committee. He hoped for a favourable decision.

General Politics in Manitoba during 1903

Apart from the general elections there was not very much activity in Manitoba politics during the year. A banquet was given to the Hon. James Johnson, M.P.P., at Boissevain, on January 9th, and another to the Premier at Baldur on January 14th and at Somerset on February 9th. Mr. Joseph Bernier, M.P.P., was banqueted by the Conservatives of St. Boniface two days later and the Hon. R. P. Roblin, with several members of his Government, were present. These and other similar incidents—such as the speech of the Hon. Mr. Rogers at Manitou on April 3rd in which he charged the late Greenway Government with having paid in 1892 a lapsed subsidy to the Canadian Pacific Railway without authority from the Legislature—were, of course, preliminary to the election campaign in an indirect way as were many of the debates in the Legislature which was opened on February 12th by Sir Daniel H. McMillan, K.C.M.G.

In his Speech the Lieut.-Governor referred to the King's illness and Coronation and the love for His Majesty which was felt through the United British Empire over which he so wisely and peacefully reigned; to the close of the South African War where Canadian troops had stood so gallantly for the cause of the Empire; to the plentiful crops of the past year, the large export of grain and the increasing immigration; to the coming establishment of an Agricultural College and the recent payment by the Federal Government of the interest derived from the sale of School lands—which would enable the efficiency of the educational system to be greatly increased; to the intention of his Government to press for the absolute transference to the Province of all unsold School lands; to the action of the Federal Government in refusing to rectify their retroactive legislation in the reduction of interest to

5 per cent. upon the unpaid purchase money (secured under executed agreements for sale bearing six per cent.) of the School lands now under Federal control; to the now completed consolidation of the Statutes.

The Address in reply was moved by Mr. Hugh Armstrong and seconded by Dr. S. W. McInnis. The Hon. Mr. Greenway followed and charged the Government with giving the House little but past history in the Speech from the Throne; with having not only driven the Northern Pacific Railway out of the Province but with having thrown over an infinitely better arrangement than any now existing in the railway agreement made by the Macdonald Government with the New York Syndicate; with advocating a Federal tariff policy which would tax the farmers of the Province for the benefit of wealthy Eastern manufacturers. The Hon. Mr. Roblin responded by describing the speech they had just listened to as consisting of "supposition, imagination and irrelevant statements."

In connection with the proposed Redistribution the Premier asked if it was fair that one constituency should contain 300 voters and another 15,000! As to the Railway Contract he challenged the Opposition to name one single article coming into Winnipeg from the East by either the Canadian Northern Railway or the Northern Pacific Railway which did not come in cheaper than before that arrangement. So far as the alleged car shortage was concerned it was simply impossible to buy or borrow or build cars to meet the present demand. At Pittsburg, in the United States, a few days before 16,000 cars were required and only 400 were available! He estimated the loss to the Province in the School lands affair at $200,000—incurred through the refusal of the Dominion Government to let them control what was admittedly their own property. He advocated higher and more efficient tariff protection.

After speeches by Messrs. C. A. Young, George Steel, T. C. Norris, and T. E. Greenwood, the Address passed on February 18th without a division. On February 23rd the Hon. Mr. Campbell, seconded by the Hon. Dr. McFadden, moved a long Resolution recapitulating the history of the School lands, the Federal regulations lowering the interest, the past payment of interest at 6 per cent., the previous protests of the Provincial Legislature and Government, and concluding as follows:

> Therefore let it be resolved, (1) That this Legislative Assembly endorses the action taken by the Government of this Province, and expresses its strongest disapproval and disapprobation of the action of the Government of the Dominion of Canada in declining to accede and give affect to the requests of the Government of Manitoba as contained in the Memorial of the said Government hereinbefore set forth, and is of the opinion that the action of the Government of the Dominion of Canada in so refusing is unwarranted, unjust and inequitable, and inflicts an injustice upon the people of the Province of Manitoba; (2) That the loss so occasioned is hereby declared by the Assembly to be a claim of the Province of Manitoba against the Government of the Dominion of Canada; (3) That the Government of the Province of Manitoba is instructed to take such further action or proceedings respecting the mat-

ters complained of as shall have the affect of affording to the Province jurisdiction in the premises.

Mr. C. A. Young, seconded by Mr. T. C. Norris, moved a Liberal amendment declaring that the matter was of exclusively Federal control; that the action had been taken for the sake of uniformity at Ottawa and in the interests of the purchasers in Manitoba; and that it was inexpedient for the Legislature to record itself as opposed to this reduction of interest to the settler or as having any claim against the Dominion Government in consequence. The amendment was rejected and the Resolutions carried by 17 votes to 7. In speaking upon the subject the Hon. Mr. Campbell claimed that on April 1st, 1898, a Federal Order-in-Council was issued stating that these School lands would be offered for sale by auction annually after full consultation with the Provincial Government; that a Report of a sub-committee of the Privy Council followed referring to the one object common to both Governments; that the ensuing Act of the Parliament of Canada provided that Dominion lands should be sold on a 6 per cent. basis and that this had never been repealed; that, however, under Mr. Sifton's Act of 1901 the person who had contracted to pay interest on unpaid balances at the rate of 6 per cent. was allowed to pay only 5 per cent.; that this latter legislation was put through without the consent of the Province; that the loss on the lands sold between 1888 and 1900 would run from $75,000 to $125,000; that it was not supposed at the time that the Act of 1901 was meant to include School lands in what were styled Dominion lands. Mr. Norris, in his speech, declared that the Federal Government in 1901 had intended to make the application of the Act to the School lands specific; that this 6 per cent. rate of interest had long oppressed the settlers and its reduction was an untold benefit to the West; that it would, however, have been better if the Provincial Government had been consulted.

On February 24th, Messrs. T. E. Greenwood and A. E. Thompson moved for a Memorial to the Dominion Government and Parliament asking for various amendments to the Grain Act, of which the principal one was a compulsory enactment requiring the Railways to provide more cars for the transport of grain. It was agreed to and referred to the Select Committee on Agriculture. In connection with the Budget debate there occurred on February 27th an elaborate speech by the Hon. Mr. Rogers covering the general policy of the Government and their legislation and record. After praising the financial situation, scoring Mr. Greenway on certain points and defending sundry details of expenditure the speaker dealt at length with the various matters at issue between the parties—the Greenway Government's deficit, the use of trust funds, the Whitehead deal, the Manitoba and North-West Lands question, the School lands matter and the Franchise Act. The terms of the Redistribution Bill presented by the Hon. Mr. Campbell and which eventually passed the House were made public on March 5th. It

divided the Province into 40 constituencies, wiped out four old ridings, and created four new ones.

Meanwhile, various Departmental or other reports had been presented to the House. That of the Commission appointed by the Government to inquire into the advisability of establishing and maintaining a Provincial Agricultural College, submitted its Report on March 2nd. It was signed by the Rev. Principal Patrick of Manitoba College, J. A. M. Aikins, K.C., Harvie C. Simpson, J. S. Miller, Harry Irwin and G. H. Halse, with A. W. Pritchard as Secretary, and strongly approved the proposal while making various suggestions as to the nature, scope and cost of the undertaking. On March 2nd Messrs. Norris and Young on behalf of the Opposition, and in connection with the Budget statement, had moved that: "This House regrets the large and steady increase in the expenses of the Legislature and different Departments and in the ordinary expenditure of the Province, and regrets that such expenditure greatly exceeds the revenue properly applicable for such purposes, and views with alarm the fact that the expenditures have been made in certain instances by the Government without authority therefor originating in the Legislature." The motion was lost by 18 to 11 votes. Two days later another Opposition motion, proposed by Messrs. T. L. Morton and James McKenzie recapitulated the expenditures of the various Departments in 1898 as aggregating $837,887, and in the Estimates for 1903 as aggregating $1,364,052; and stated that "this House views with alarm the extraordinary increase in the expenditure" thus described. After discussion it was voted down by 21 to 9. Two other votes of want of confidence in this connection were rejected by twelve majority.

In proposing on March 16th the second reading of the measure, which finally became law, regarding the establishment of a Provincial Agricultural College, the Premier stated that the cost would be from $75,000 to $100,000 with the control vested in a Board composed (1) of the Minister of Agriculture, (2) nominees of Manitoba University, (3) nominees of the Government and (4) representatives directly elected by the farmers. A Resolution, proposed by the Hon. Mr. Campbell and passed on a division of 21 to 11, reviewed the attempts of the Manitoba Government to obtain control of the School lands and once more demanded their transference to the Province subject to the original endowment for education and the earnings therefrom being kept sacred to that purpose. On motion of the Hon. Mr. Rogers and the Premier the appointment of a Commission of Inquiry into the administration of affairs in the Drainage District, which included the Whitehead contract affair, was approved on division.

On March 17th, the day before prorogation, the Hon. Mr. Rogers introduced a measure guaranteeing the bonds of the Canadian Northern Railway up to $3,500,000, or at the rate of $10,000 per mile, for the immediate construction of certain branch lines

of railway. The measure went through its various phases on this and the 18th inst. and was opposed by Messrs. Norris and Greenway on the ground of pledging Provincial credit for a large sum of indirect liability; of being introduced at the close of the Session and rushed through without due consideration; of being without safeguards as to actual construction within a reasonable period; and as involving the Province in an excessive guarantee. Mr. Rogers' reply was that the guarantee provided for $2,000,000 of equipment and rolling stock; that the roads were greatly and immediately required by the farmers; that many of the provisions were similar to those included in past legislation of Mr. Greenway's; that the delay in presenting the measure was due to one of the Companies concerned having only just received its charter. Opposition motions approving the Grand Trunk Pacific project and affirming the principle of compulsory Legislative authority being secured before trust funds could be used by the Government for public purposes were side-tracked and the House was duly prorogued by the Lieut.-Governor on March 18th.

Following or closely preceding this event were various occurrences more or less connected with the pending elections. Of this nature was the address delivered by the Hon. Robert Rogers at Carberry on February 21st; the mass-meeting at Emerson addressed by the Premier and Hon. D. H. McFadden on March 11th; the banquet given to Mr. Hugh Armstrong, M.P.P., at Portage la Prairie on March 20th, and attended by several Provincial Ministers. On March 14th an interesting judgment was rendered in the Supreme Court of the Province dealing with certain test cases in connection with the Canadian Pacific Railway Lands and practically implying that in all cases of exemption, the exemption ran from the time of the issue of the patent to the Canadian Pacific Railway but that no exemption was provided for in the case of school districts in the North-West Territories, these being empowered to collect taxes from all Canadian Pacific Railway lines. As for the lands in Manitoba, they were exempt from all taxation for twenty years after their being patented. On June 29th, following, the Supreme Court of Canada gave a still more important judgment in a case involving the claims of Manitoba to all surface rights upon the swamp lands forming a part at present of the Crown Lands of the Province and under the control of the Department of the Interior. The judgment was to the effect that the lands did not vest in the Province except by consent of the Governor-General-in-Council.

In the House of Commons at Ottawa on July 24th, the Hon. Mr. Sifton introduced and eventually carried a measure making various changes in the Manitoba Grain Act and constituting what he termed a compromise between conflicting interests and views. At Carman on July 27th a great reception was given to the Hon. Mr. Roblin upon the occasion of a first visit to his constituency of Dufferin since the elections. Following this, on September 1st,

came the reduction of two cents per hundred pounds on all grain carried by the Canadian Northern Railway, promised by the Government before and during the general elections, and in accordance with the Order-in-Council of July 13th. The Winnipeg *Telegram* made this statement in the matter: "Wheat is now carried from Winnipeg to Port Arthur, 440 miles for six cents per bushel. A settler on the Canadian side of the boundary line now gets his grain carried to Lake Superior for four cents per hundred less than a settler on the American side of the boundary line, and it goes over a Canadian railway to a Canadian port." On September 17th, the anniversary of the day when Sir John Macdonald won his great victory in 1878, the Young Conservatives of Winnipeg held a gathering with Mr. H. W. Whitla in the chair. Speeches celebrating the old-time Federal victory and the recent Provincial one, eulogizing protection and endorsing Chamberlain, or criticizing the Grand Trunk Pacific, were made by the Premier, Mr. W. Sanford Evans, the Hon. C. H. Campbell and others.

The General Elections in Manitoba

From the beginning of the year until July 20th, when the contest was over, a good deal of interest was felt in the pending elections in Manitoba—outside as well as within the Province. It was the only part of the Dominion where a recognized Conservative Administration held office, and either defeat or success involved a natural amount of party feeling elsewhere. The probabilities of success seemed to be with the Roblin Government, which, according to the Brandon *Times* of July 23rd, had 26 followers in the Legislature when it was prorogued on March 18th, as against 13 Liberals and 6 Independents. But the Hon. Mr. Greenway had entered upon the elections of 1899 with a record of 32 supporters in the previous election as against 5 Conservatives and 3 Independents, and yet been defeated by the Hon. Hugh John Macdonald. The platform of the Conservative party in 1899 had included the following planks:

1. Economy in management of the Finances.
2. Reduction of Cabinet Ministers to three and the addition of two Ministers without Portfolio.
3. Reduction of the Sessional Idemnity to $400.
4. Reform in the Franchise Laws.
5. Enforcement of the Alien Labour Law and encouragement of desirable immigration.
6. Freedom of Educational system from partisan control and the application of proceeds of School Lands to supplementing ordinary school grants.
7. Establishment of an Agricultural College.
8. Adoption of principle of Government ownership of railways wherever practicable, and Government control of rates over all newly bonused lines, together with right of purchase.
9. Transfer of Crown Lands within the boundaries of Manitoba to the Provincial Government.
10. Aid to Municipalities by guarantee of interest upon debentures, when desirable and necessary.
11. Compensation for injuries received by workmen in their usual employment.

12. Extension of Provincial boundaries and construction of a line of railway to Hudson's Bay ; assumption of control and administration of the Fisheries of the Province.

13. Giving effect to public opinion by Prohibition of the Liquor Traffic so far as the powers of the Province would permit.

This general policy the Government claimed to have been carried out in many of its details, while in others satisfactory progress was declared to have been made toward accomplishment. On February 13th, the Political Reform Union—an independent organization founded and largely controlled by Mr. R. L. Richardson, ex-M.P., of the Winnipeg *Tribune*—held a Convention in the Provincial capital, elected Mr. Alex. MacDonald, President, and Mr. A. W. Puttee, M.P., Vice-President, and reiterated its policy as including the granting of the right of initiating, ratifying, or vetoing legislation to the electorates of the Province and the Dominion ; ownership of public franchises ; abolition of the spoils system in public appointments ; and abolition of the sale of liquor for profit. On March 23rd and 24th, the Liberal Council of Manitoba met in session at Winnipeg, with delegates in attendance from all parts of the Province. A party platform was adopted on the second day of the meeting—after confidence had been fully expressed in the leadership of the Hon. Thomas Greenway. The clauses of this declaration of policy may be summarized as follows :

1. Condemnation of the Provincial Government for having "in contempt of its pledges, increased the current expenditure of the Province by a sum exceeding $200,000 yearly," and advocating a policy of "strictest economy and retrenchment."

2. Condemnation of the Government for having "misapplied trust funds such as the School Land moneys and the proceeds of the Manitoba & North-Western Railway lands," and a promise to expend these and other sums as originally intended.

3. Denunciation of the Government for having expended moneys without Legislative appropriations.

4. Regret at the failure of the Government to select and have transferred to the Province from the Canadian Northern Railway the 256,000 acres obtained in settlement of the Province's claim against the Winnipeg and Hudson's Bay Railway by the late Greenway Administration.

5. Declaration that the Government's attempt to solve the transportation problem had failed ; that the Province had received no compensating consideration for the enormous contingent liability assumed through the Canadian Northern and Northern Pacific arrangements ; that it would be the duty of the Liberal party to provide additional and needed transportation facilities.

6. Denunciation of the Government for "inconsistency, bad faith and political duplicity" in connection with the Prohibition question and a declaration that it would be the policy of the Liberal party "to introduce from time to time such further restrictive legislation as will be in conformity with the growing temperance sentiment."

7. Proposal to decentralize and simplify the administration of justice and reduce the cost of litigation, and to prepare voters' lists based upon lists of resident ratepayers compiled by the Municipal authorities and supplemented by personal registration.

8. Denunciation of the recent Redistribution measure as violating the principle of representation by population.

9. Regret at "the introduction into this Province of the Spoils System" in the Civil Service.

10. Declaration in favour of the lowest possible tariff on imports and condemnation of the Premier's alleged views in favour of the repeal of the Preferential tariff.

The arguments employed by the Conservative speakers and papers were many and varied. At Morris, on January 31st, the Hon. C. H. Campbell, K.C., pointed to the Government's educational policy under which the number of schools had increased by 300 and the interest on deferred payments from the Dominion Government *re* School lands had been secured by an immediate sum of $225,000 and with $70,000 a year thereafter. He stated that free text-books up to a certain grade were now being prepared, facilities for training teachers were being arranged and a vigorous effort was to be made to obtain complete Provincial control of the School lands. In the Winnipeg *Telegram* it was claimed that the annual expenditure upon education in ten years of the Greenway Government averaged $146,282 per annum; under the Roblin Government it had been $239,612.

At Carman, on March 31st, the Hon. R. P. Roblin spoke for three hours in a review of the policy of his party. It had been economical. In the cost of the public printing, for instance, there had been a reduction from $2.12 per page under Mr. Greenway to $1.42½ per page in 1902. The Liberals, he said, had put a mortgage on the Province of $2,500,000 or a yearly interest obligation of $150,000 and had left a deficit in the Treasury of $248,136 for which the new Government had to provide. On December 31st, 1903, his Government had $318,000 to the good as a result of the yearly surplus since they attained power. He went at length into certain contracts given by the Greenway Government; the policy of his own Administration in taxing railways, banks, insurance companies and other great corporations to the extent of nearly $200,000; and dealt with the Opposition charges of misapplication of the trust funds of the Manitoba and North-West Railway lands.

In this latter connection the Premier quoted elaborate tables and statistics to prove that since the Government took office these lands had not only not been a source of revenue but that $110,506 had been expended upon them over and above the receipts. He strongly defended the taking of $60,000 or more out of the recent School fund payment from Ottawa in order to build an Agricultural College and referred to the free school book arrangements. He then spoke of the Government's contract with the Canadian Northern Railway; the absolute control which they held over its rates, the increase in mileage to 1,500, the reduction of rates on freight of all kinds coming into the Province, the past reduction of rates on wheat by two cents per 100 pounds and the prospect of a further and similar reduction. He declared the charges as to a heavy contingent liability to be nonsense. In return for the Government guarantee they had taken security on the basis of not more than

$13,000 per mile and the road itself could be sold to-day for $25,000 a mile with probably a bonus into the bargain.

Speaking in Winnipeg on April 8th, at the re-nomination of Mr. J. T. Gordon, the Premier spoke specifically regarding the Whitehead contract matter: "I charge fully upon my responsibility as Premier of this Province that the Greenway Government took out of the trust funds which they held under the statutes the sum of $45,000 in round figures, which they had no more right to take than has that young man sitting there in front of me, and gave it to a public contractor, Charles Whitehead, and that Whitehead put that money in his pocket and walked away with it. The *Free Press* says, if that is so, why did we not prosecute him? The answer is this, that so far as Whitehead was concerned he got the money legally enough—so far as the actual cheque was concerned."

At Emerson, on April 11th, the Hon. D. H. McFadden, Provincial Secretary, made an elaborate defence of the Government's Prohibition policy. In 1890 the Greenway Government had taken a plebiscite and Prohibition had received a large majority; but nothing was done. In 1898 the Dominion Government had taken action in the way of a plebiscite and Manitoba had given a similar majority but still nothing was done. Then the Conservative Government of Mr. H. J. Macdonald had prepared—by the hands of a Prohibitionist lawyer—what was thought to be a thorough and effective measure, passed it through the Legislature and eventually obtained the constitutional confirmation of the Privy Council. By this time, however, the Opposition press and speakers had so minimized its value and so consistently deprecated its usefulness that the Roblin Government determined to submit the question of its actual enforcement to the people at large. This had been done by means of the Referendum and the majority against the measure had been 6,857. The Government considered this to have settled the matter.

At Winnipeg, on April 13th, the Hon. H. J. Macdonald, K.C., made the following reference to a matter about which the Opposition had made various statements and charges—his railway agreement with J. P. McDonald: "He would tell them he had made this contract, and a good contract it was too, but after entering into the contract he had felt it his duty in the interests of the great Conservative party to which he gave allegiance, to resign the Premiership of Manitoba and enter into the arena of Dominion affairs. If he had remained Premier that railway contract with J. P. McDonald would have been carried into effect but after he resigned other proposals not made to him had been laid before his successor, Mr. Roblin, by Mackenzie and Mann and by the Northern Pacific Railway Company and, in the result, the Roblin Government had accepted another proposal and made the contract with the Canadian Northern." Speaking in the same city on April 21st, the Premier referred to the plank in the Liberal platform which charged his Government with expending money without the statu-

tory authority of the Legislature. He denounced this statement as "an absolute and unqualified untruth" and proceeded to repeat in return the charge that the Greenway Government in 1892 had paid over to the Canadian Pacific Railway, without Legislative authority or statute and by special warrant, the sum of $150,000.

Mr. Roblin addressed the nomination meeting of the Hon. J. A. Davidson at Neepawa on June 6th, and was able to announce that on July 1st ensuing the hoped-for reduction of an additional two cents per 100 pounds in the railway rate on wheat would go into effect upon the Canadian Northern Railway. "What does our total reduction of four cents per hundred pounds mean to you farmers on your wheat? It means that on every 5,000 bushels it is putting $120 in your pockets; and I ask you Liberal farmers who enjoy the benefits of that money, who may have $100 to $500 added to the value of your product, how can you as honest men, true to yourselves and to your best interests, have the will to vote against John A. Davidson who was instrumental in securing to you these benefits?"

On June 27th the Premier received a deputation appointed at a recent Catholic public meeting which had been held in connection with the double taxation which the adherents of that Church had to pay in educational matters. In his reply Mr. Roblin declared that the Separate School question had been settled by the Laurier-Greenway compromise and that redress lay with the Dominion authorities and not the Provincial. He quoted the Memorandum of Agreement in this connection, dated November 25th, 1896, between Sir Wilfrid Laurier as representing the Dominion and the Hon. Clifford Sifton as representing the Province, and stated that when that document "ratified and approved" the arrangement then made as "a final settlement," it left the Province no present option in the School matter.

At Hamiota on June 30th, the Premier renewed his charges against the late Greenway Government. "When I took office I found that Mr. Whitehead (a contractor) had been overpaid by the Greenway Government no less than $45,000 of the money of the people of a Drainage District for which he had never turned a shovel of earth. He did no work and the money had been paid to him." Further he declared that after the Greenway Government had been defeated, but before resigning, they had tried in vain to force the Provincial Auditor to pass another payment to Whitehead of $11,000 and that the Hon. Mr. Watson, Minister of Public Works, had written the Imperial Bank of Canada guaranteeing $30,000 to be paid the same individual. Many other meetings were addressed by the Premier during these months. He was at St. Eustache on May 23rd, at West Selkirk on June 27th, and following this at Rapid City, Oak River, Hamiota, and Crandall.

During the fortnight following July 1st, a series of meetings were arranged for him including Birtle on July 2nd, Strathcona and Newdale July 3rd, Headingly July 4th, St. Anne July 6th,

Ninga and Minto July 7th, Nesbitt and Wawanesa July 8th, Brandon July 9th, Oakville and Portage la Prairie July 10th, Gladstone July 11th, and Woodlands on July 13th. Other series of meetings for the Government were addressed by the Hon. Robert Rogers, the Hon. C. H. Campbell, Dr. Roche, M.P., the Hon. T. Mayne Daly, ex-M.P., and Mr. N. Boyd, M.P. In these meetings and in the press it was pointed out that by 1905 the tax exemptions granted to the Canadian Northern and Northern Pacific Railways by the Greenway Government would be abrogated under the Roblin contract with those lines and that during the term of the present Government the Canadian Northern Railway had built, without charge to the Province, 920 miles of new railway.

The Liberal policy and position were first marked by a demonstration and banquet at Baldur, on March 25th, in honour of the Hon. Thomas Greenway and following upon the adoption of the platform which has been already summarized. From various parts of the Province came Liberals to join in celebrating the 12th unanimous nomination offered to their Leader by the party in the constituency of Mountain, and the 24th year in which he had represented them. In the course of the Address presented to the ex-Premier by Dr. I. M. Cleghorn (on behalf of the local Liberals) it was stated that "earnestly, faithfully, economically and perseveringly you have laid the foundation of this Province of the growing West." Mr. Greenway replied at length and commenced by comparing the platform adopted by the Manitoba Liberal party in June, 1886, with that adopted by the Liberal Convention on the preceding day. After speaking of their adherence to pledges as a party and their record of reform he proceeded to denounce the present Government as having spent much more money than the Liberals.

In the Manitoba and North-West Lands matter in which his Government had taken from the Railway Company, in settlement of certain claims, 542,000 acres of land at $2.25 per acre, he claimed that the proceeds of the sale of these lands should have been kept for meeting the debentures and accrued interest which still constituted a Government liability. "But no, that is not their way. They are using that Trust Fund as well as other trust funds for the meeting of current expenditures." The speaker went on to accuse the Government of using moneys without authority or right, as in their proposed expenditure of $50,000 out of this Fund for the building of a Land Titles Office in Winnipeg and in the erection of Normal Schools out of the grant for Public Schools.

He declared the transportation question to be still unsettled; charged the Government with placing upon the Province a contingent liability of $20,000,000 in connection with their Canadian Northern Railway arrangement; denounced them for not expressing approval of the Grand Trunk Pacific project; stated that where his Government had been represented as being lavish in the original bond guarantee to the Canadian Northern of $8,000 a mile the

Roblin Government had recently increased this to $10,000 a mile; declared that under the present rule the liquor door was a little wider open and the licenses increasing; represented the Macdonald Prohibition measure as having been enacted to aid Mr. Macdonald in defeating Mr. Sifton at Brandon in the then impending Dominion elections and stated the cost to the Province of the Act and the Referendum as $30,901; denounced Mr. W. W. Buchanan, the Prohibition organizer, as endeavouring to defeat the Liberal party in the Province; characterized the Franchise Act as the worst ever placed on a statute book, as an Americanism, and as being totally unfitted to this country and asked for a voters' list based upon lists of resident ratepayers compiled by the Municipal authorities; denounced the recent Redistribution of Seats as unfair and criticized Mr. Roblin for advocating a higher tariff to which, he believed, the people of the West were absolutely and strongly opposed.

On the following day Mr. Greenway issued a Manifesto recapitulating very largely the arguments of this speech. Of the Government's surplus he gave the following explanation: "By the sale of public lands alone the present Government during its first three years in office obtained $368,927, in excess of the receipts of my Government from the same source during the preceding three years. These moneys, thus obtained by realizing upon the Province's capital, account for the $317,000 which the Provincial Treasurer claims to have on hand and for $40,000 more. The surplus therefore is not an excess of the ordinary receipts over the ordinary expenditures, obtained by business methods and economical management, but simply represents the money equivalent of land alienated from the public domain. It is not a surplus at all." He charged the Government, or the Premier, with "persistent misapplication of trust funds;" with bringing about a diminution in railway facilities and a decrease in competition by the absorption of the Northern Pacific; with hostility to competing lines from the South; with advocating extreme protection and favouring the abolition of the Federal Preferential tariff; with culpable negligence in not selecting the allotment of 256,000 acres of land from the Canadian Northern Railway in repayment of $256,000 worth of Provincial bonds given to the Winnipeg and Hudson's Bay Railway.

Mr. Greenway addressed a meeting at Brandon on May 7th, and in connection with long lists of Dominion Civil servants who were alleged to be working for him in this campaign and which were published in the Government press he declared that "No man under our present system of patronage who is an employee of the Government should interfere in politics." In the matter of Prohibition he pointed out that under his Administration the number of licenses decreased from 218 to 162 in 1898 while now they were steadily increasing. The Opposition Leader spoke at many other places during the ensuing campaign, notably at Grand View on July 1st. at Dauphin on July 3rd and at Morris on July 15th. Speaking at Morris Mr. Greenway charged the Government with being

Revolutionists rather than Conservatives and with having driven the Northern Pacific and its splendid equipment and facilities out of the country.

He then answered some questions propounded by the Winnipeg *Telegram* on July 15th. 1. Would he, if returned to power, enforce the control of rates secured by the present Government so as to obtain an immediate 10 per cent. rate for grain on the Canadian Northern Railway? His reply was that the Government did not possess the control of rates over this road. That power lay with the Dominion authorities. 2. Would he secure the promotion this year of the Canadian Northern Railway lines now under construction in Manitoba? The answer to this was that *bona fide* contracts would not be repudiated but that he had no idea of carrying on any lines the guarantees of which were put through in the dying days of the past Session for the purpose of bribing certain constituencies. 3. Would he say that he was not going to give the Grand Trunk Pacific a bonus if he had the power? In reply he said: "The Grand Trunk has not asked me for any bonus and I do not propose to give them any." As to Prohibition there were six Liberal candidates nominated by the Prohibitionists and 14 others who were total abstainers. At Dauphin Mr. Greenway made the following reference to the Whitehead charges:

> By his contract Mr. Whitehead was entitled to certain advances on account of material. He sold out his contract to Mr. Macdonell who in turn turned it over to the present contractor, Mr. Manning. Both of these latter got and are getting from Mr. Roblin's Government precisely similar advances to those received by Mr. Whitehead.

Addressing a Winnipeg meeting on July 13th the Hon. J. D. Cameron went into a history of the Separate School question in order to prove the Hon. Mr. Roblin an opponent of the national school system. He referred to the latter having voted against the 3rd reading of the School Bill of 1890 which precipitated the whole issue; described his opposition to the Settlement of 1897 and its embodiment in Provincial legislation at the hands of the speaker; and declared that if Mr. Roblin's Government wished to repeal the latter Act and restore Separate Schools there was nothing in the Constitution to prevent them doing so if returned to power. Therefore, he argued, Mr. Roblin had no right amongst Catholics to throw the responsibility for present conditions upon the Ottawa authorities.

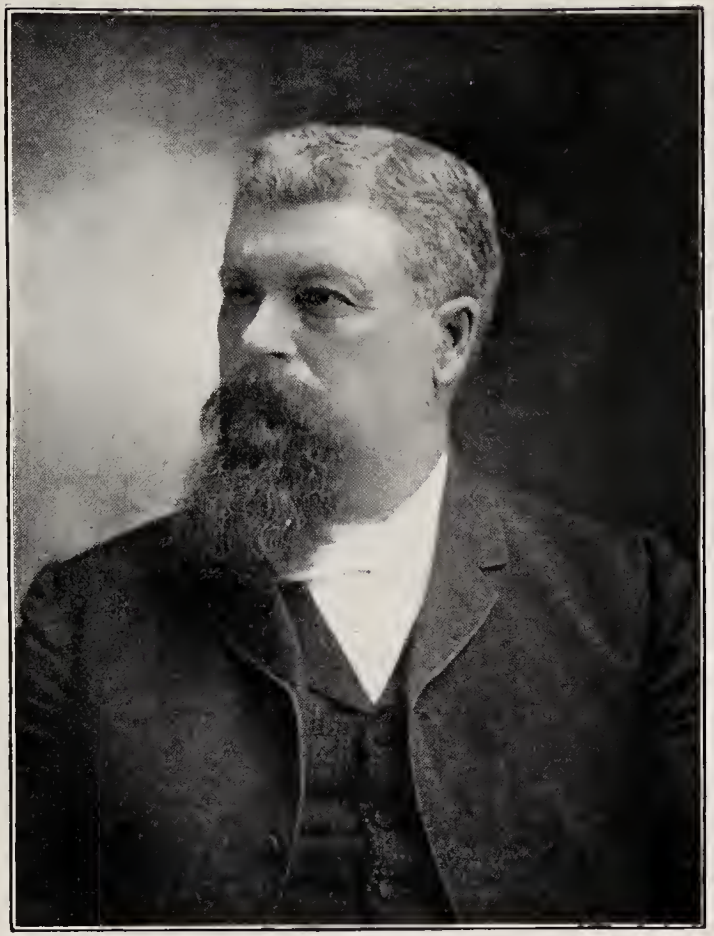
At another meeting, on July 16th, Mr. Cameron declared that if the Government had to pay the interest on their Canadian Northern Railway bond obligations it would be $800,000 or nearly the revenue of the Province and that where the Greenway Government had sold bonds at 111 the present Government could only sell similar bonds, for the same purpose, at 101. He again charged the Premier with being an enemy of national schools. On July 10th Mr. Isaac Campbell, K.C., spoke at Stonewall and eulogized Mr. Greenway as having during his term of government fought a

gigantic railway and secured the abolition of its monopoly; satisfactorily settled the difficult School question; and maintained an economical administration from which his successor was now reaping a revenue of $1,000,000.

During the progress of the election campaign there were various more or less important incidents. One was a letter written by Mr. William Millar, of Boissevain, on February 26th, retiring from the local Conservative Association on the ground of opposition to Mr. Roblin's railway policy, to his course on the Liquor Act and to the Franchise measure. He had hitherto been a strong Conservative and claimed to be one still. Writing to the press on May 12th, Mr. W. Redford Mulock, K.C., the energetic Prohibitionist, strongly deprecated Mr. Greenway's attitude toward those who were independently and honestly working for their cause. The Manitoba *Free Press* of two days later took up the subject at great length and traced the historical position of the Liberal party toward Prohibition; incidentally denouncing Mr. Mulock and Mr. W. W. Buchanan as having already done "yeoman service" for Mr. Roblin by turning safe Opposition seats into doubtful ones.

On June 24th a sensation was caused by the *Free Press* publishing a detailed article stating that Mr. G. H. Macdonell, a well-known local contractor, and a Conservative in politics had, in connection with the Boyne Marsh drainage, or Whitehead contract, been "held up" by a member of the Macdonald (and afterwards of the Roblin) Government for $5,000. The alleged occurrence was late in 1900, between the time when Mr. Macdonell took over the contract from Mr. C. Whitehead in the summer of that year and sold it again to R. F. Manning & Co. in November, 1901. According to the story the Hon. D. H. McFadden, Minister of Public Works, took the contractor for a drive to the drainage works in September, 1900, at a time when some $40,000 was due the latter by the Government. "Dr. McFadden then informed him that they wanted $5,000 before the estimates were paid and said that this demand was made upon him at the suggestion of Mr. C. H. Campbell"—the Attorney-General. He (Macdonell) paid the amount after strong objection but when he refused to contribute further in this way to the party funds he was, said the *Free Press*, compelled eventually to sell out his contract through inability to get any payment of estimates from the Government.

Interviewed by the *Telegram* on the following day Mr. R. F. Manning gave a history of the contracts and denied the whole story. The Hon. Mr. Roblin declared that since he had been at the head of the Government the only "hold up" had been the holding up of the contractors to their obligations; the Hon. Mr. Campbell denounced the matter as a fabrication so far as he was concerned. Dr. McFadden returned from Emerson on June 25th and declared the whole thing to be a malicious slander and appealed to the records of his Department as to payments upon the contracts to controvert the statements. He promptly took action for criminal libel



THE HON. THOMAS GREENWAY, M.P.P.
Leader of the Liberal Opposition in Manitoba.

THE HON. RODMAN P. ROBLIN, K.C., M.P.P.
Prime Minister of Manitoba.

The General Elections in Manitoba.

against the *Free Press* Company and its Editor, Mr. J. W. Dafoe. The latter was arrested but bail was at once accepted. The preliminary investigation was held on June 29th but the case was enlarged to the succeeding week and after a hearing the time was again extended. Meantime, the former Minister of Public Works and present Provincial Secretary addressed his constituents at Emerson on July 10th and made the following statement:

> In referring to this villainous charge I want you all to distinctly understand that in what I am about to say to you, amongst whom I have lived for so many years and who know me thoroughly, I am speaking with all the solemnity that would exist were I upon my oath; and that when the proper time comes I will be prepared to substantiate each and every statement I make and go into the witness box in any Court in the land and make upon oath the same statement. With respect to the article itself containing the charge, I wish to say that I give it a most emphatic and unequivocal denial. I never held up Mr. Macdonell or any other contractor. I dealt with Mr. Macdonell in my capacity as Minister of Public Works as I did with any other contractor, having always in view the single object of protecting the interests of the Province and safeguarding the interests of the people in that drainage district.

In this connection the Hon. Mr. Rogers during his speech stated that these charges were being considered by the Opposition months before; that the Government had heard of them and that the Premier during the past Session had stated on the floor of the House that if there was anything in the way of a charge to formulate the Government would at once appoint a Commission of Investigation, to be named by the member making such charge from the Judges of the Court of King's Bench, and would pay for such counsel as that member selected to prosecute the inquiry. But it was not brought forward because they knew it could not be proved; though it might prove useful on the verge of an election. Meanwhile, the Liberals had been publishing a varied campaign literature. One process of comparison may be given here as follows: Liberal revenue, 1897-8-9, $2,396,456; Conservative revenue, 1900-1-2, $3,379,740; excess amount spent by Conservatives (excluding $317,000 cash on hand) $666,383 and an average yearly increased expenditure of $222,127. Another showed the expenditure of 1898 (Mr. Greenway's last year) as $837,887, of 1902 as $1,248,128 and the estimate for 1903 as $1,530,762. On July 16th it was announced that an Order-in-Council had passed making the promised cut of two cents in the rate on wheat and enacting September 1st as the date for it to come into operation.

Nominations took place on July 13th in all the constituencies except Gimli and Swan River and in every one there were straight Conservative and Liberal candidates. There were also some Prohibitionist, Independent and Labour candidates. The election took place on July 20th and resulted in a sweeping Conservative victory. The Premier and all his colleagues were elected by substantial majorities and in Winnipeg all three Conservative candidates obtained large majorities. Mr. Greenway obtained a marked

majority in Mountain and the Hon. C. J. Mickle was re-elected in Birtle. But all the other prominent Liberals were defeated including the Hon. J. D. Cameron in Winnipeg, Mayor A. C. Fraser in Brandon and Mr. T. L. Morton in Gladstone. At first it was thought that the Opposition had only obtained four seats but later returns brought their number up to 9 as against 31 Conservatives. Both the deferred constituencies returned Conservatives—Gimli by acclamation. The following were the names and politics of the new House:

Constituency.	Name.	Politics.
Arthur	A. E. Thompson	Cons.
Assiniboia	J. H. Prefontaine	Lib.
Avondale	James Argue	Cons.
Beautiful Plains	Hon. J. A. Davidson	"
Birtle	Hon. C. J. Mickle	Lib.
Brandon	Dr. S. W. McInnis	Cons.
Carillon	A. Prefontaine	"
Cypress	George Steel	"
Dauphin	J. R. Gunne	"
Deloraine	Edward Briggs	"
Dufferin	Hon. R. P. Roblin	"
Emerson	Hon. D. H. McFadden	"
Gilbert Plains	Glen Campbell	"
Gimli	B. L. Baldwinson	"
Gladstone	David Wilson	"
Hamiota	David Jackson	Lib.
Kildonan	M. J. O'Donahoe	"
Killarney	George Lawrence	Cons.
Lakeside	E. D. Lynch	"
Lansdowne	H. E. Hicks	"
La Verandrye	W. Lagimodiére	Lib.
Manitou	Hon. R. Rogers	Cons.
Minnedosa	W. B. Waddell	"
Morden	J. H. Ruddell	"
Morris	Hon. C. H. Campbell	"
Mountain	Hon. T. Greenway	Lib.
Norfolk	R. F. Lyons	Cons.
Portage la Prairie	H. Armstrong	"
Rhineland	Valentine Winkler	Lib.
Rockwood	Isaac Riley	Cons.
Russell	W. J. Doig	Lib.
St. Boniface	H. Chevrier	"
South Brandon	A. H. Carroll	Cons.
Springfield	W. H. Corbett	"
Swan River	J. M. Robson	"
Turtle Mountain	Hon. James Johnson	"
Virden	J. H. Agnew	"
Winnipeg Centre	T. W. Taylor	"
Winnipeg North	Sampson Walker	"
Winnipeg South	J. T. Gordon	"

All but three of the Independent candidates in the contest lost their deposits. The largest single majority was that of the Premier, in Dufferin, where he received 419 votes over his opponents. The comments of the press on the following morning were of the usual order. The *Free Press* frankly admitted defeat and regretted the smallness of the Liberal minority. The result, however, was " an emphatic verdict of approval by the people of Manitoba of the

Roblin Government, its record, its *personnel* and its programme." The *Telegram* gave the cause of the vote as follows: "The Government has been businesslike in its administration, and has brought the financial affairs of the Province into splendid condition and, even more important, it has shown itself to be progressive and energetic in the public interest and has grappled with great problems, such as that of transportation, not only fearlessly but successfully." The Toronto *Mail and Empire* proclaimed the result as an indirect triumph for protection and for Mr. Borden whose policy the Provincial Premier so strongly supported. The Winnipeg *Tribune* considered it a special and personal defeat for Mr. Greenway. "It was not the strength or popularity of the Roblin Government, or general confidence in its past or future that settled the day, so much as the disgust of honest and independent Liberals in all sections of the Province with Greenway and his faction."

Political Affairs in the Territories

The first public incident of the year in the North-West Territories was (on January 4th) the announcement of the retirement of the Hon.* A. L. Sifton, Commissioner of Public Works, and of the Hon. T. H. Maguire, Chief Justice of the Supreme Court of the Territories, together with the appointment of the former as Chief Justice. To this post he was gazetted on January 9th and sworn in by the Lieut.-Governor four days later. The appointment was variously received. The Manitoba *Free Press* described Mr. Sifton as "one of the most competent members of the Territorial bar" and declared that the fact of his being a brother of the Hon. Clifford Sifton should not be a barrier to his advancement. Some regret was expressed, as the Regina *Leader* put it, that Mr. Justice Richardson had been again passed over, but as a whole the appointment was approved by the Liberal press. It was, however, strongly disapproved by the Conservative papers. The Regina *West,* for instance, called it nepotism, the sacrifice of judicial honour, treachery toward Judge Richardson and the turning of the Judiciary into a part of the political machinery.

On January 30th Mr. C. W. Peterson, Deputy Commissioner of Agriculture, resigned his position in order to accept that of Secretary of the Calgary Board of Trade and was succeeded by Mr. J. R. C. Honeyman. Five days later the appointment was gazetted of Mr. George Hedley Vicars Bulyea, M.L.A.—a member of the Executive since 1897 and a Liberal in politics—to the vacant position of Commissioner of Public Works and that of Dr. William Elliott, M.L.A., of Wolseley, to the post of Commissioner of Agriculture. Several bye-elections followed. On January 26th Mr. C. W. Fisher, defeated Dr. H. J. Richardson in Banff (Mr. Sifton's old seat) by 263 to 193. Both were supporters of Mr. Haultain's

* NOTE—The Members of the Executive of the Territories do not personally assume and are not technically entitl d to this designation, but it is so universally accorded to them, as it is to former members of Provincial Governments such as the Hon. T. Greenway in Manitoba, or the Hon. James Young in Ontario, or the Hon. G. F. Hill in New Brunswick, that it has been thought best to use it here.

Administration. On February 18th Dr. Elliott was re-elected by acclamation in Wolseley. On June 9th following Mr. D. Maloney, who had been unseated in St. Albert, was defeated by Mr. L. J. A. Lambert in a vote of 363 to 332.

Early in the year political matters began to stir in the Territories. At Yorkton, on January 21st, a meeting of the Conservative Association of the District was marked by a suggestion from Mr. R. B. Bennett, M.L.A., which was unanimously approved, that a Territorial Conservative Convention should be held in the near future. On March 4th the Central Liberal Association of East Assiniboia met at Moosomin and amongst those present were Mr. Walter Scott, M.P., the Hon. G. H. V. Bulyea, M.L.A., and Mr. D. H. McDonald, M.L.A., Opposition Leader in the Legislature. Resolutions were passed condemning trusts and combines, deprecating any increase in the tariff and denouncing public aid in lands or money to railways without absolute Government control of rates. Another declared the present representation at Ottawa inadequate and demanded 14 members as the proper number to represent 350,000 people. Other prominent Conservatives besides Mr. Bennett had, meanwhile, been asking for a Convention of the party and, under date of February 5th, 1903, Mr. R. L. Borden, M.P., finally wrote calling one to meet at Moosejaw on March 25th. The basis of representation was to be five men from each electoral district and this was expected to give a gathering of 175 delegates. When the meeting took place it was found that over 200 were present; some having travelled over 700 miles. Mr. John S. Hall, K.C., of Calgary, was elected Chairman and Mr. J. A. Magee, of Yorkton, Secretary. The principal speakers were the Premier, Mr. F. W. G. Haultain, Mr. R. B. Bennett, M.L.A., Senators W. D. Perley and J. A. Lougheed, the Hon. Dr. Elliott, Dr. Patrick, M.L.A., and Mr. J. J. Young, M.L.A. The following is a synopsis of the Resolutions passed.

1. Congratulations to Mr. R. L. Borden, K.C., M.P., upon his rapid advancement in the party and upon his unequivocal support of the Territorial claims to full autonomy.

2. Opposition to the grant by Parliament of any of the public domains of the North-West Territory by way of bonuses to railways, or other corporations, or the alienation, sale or lease of lands to any but *bona fide* settlers.

3. Censure of the Liberal party for not having prosecuted earnestly and vigorously the wholesale corrupt practices and frauds which have taken place in elections.

4. Declaration that the present Dominion Election Act, as applicable to the North-West Territory, is productive of fraud and should be so amended as to provide for an efficient system of registration.

5. Denunciation of the Dominion Government for a lack of energy in meeting the existing condition of the inadequate transportation facilities and a demand for improvement in this respect, or the right to act themselves and secure such facilities as are imperatively needed.

6. Approval of the Hudson's Bay Railway project as providing a cheap and direct outlet for the products of the Territories.

7. Censure of the Federal authorities for neglecting the interests of the Territories by their wholly inadequate provision for local necessi-

ties ; by their niggardly appropriations for Federal purposes ; and by withholding those rights of self-government without which the Territories are deprived of the power to aid their own development.

8. Decision to run the next Territorial elections on party lines and to place a Conservative candidate in every constituency.

9. Declaration in favour of the immediate grant of full Provincial autonomy—including the ownership of public lands, mines and minerals and compensation for lands alienated for Federal purposes.

10. Condemnation of the Liberal party for a lack of any definite and fixed policy upon the great questions affecting the development of the Dominion ; for the large and increasing expenditure of public money for which the West was receiving no adequate return ; for the discordant views expressed by the Members upon the tariff questions ; and for the practical non-enforcement of the Alien Labour Law.

11. A claim for Territorial representation in the House of Commons by at least 18 members—as per the recent statement of the Minister of the Interior.

12. Adoption of a sound fiscal policy based on the adequate protection of home industries and securing the home market for the farmer, maintaining the highest scale of Canadian wage and developing the enormous resources of the Dominion.

13. Advocacy of a mutual Preferential tariff within the Empire and denunciation of trusts and combinations.

One of the results of the Convention was the formation of a Territorial Conservative Assoeiation with the Premier of the Territories as Hon. President, Mr. Thomas Tweed of Medicine Hat as President and Dr. Spence of Saskatchewan and Mr. W. C. Ives of Lethbridge as Vice-Presidents. The question of introducing party politics into the Territorial elections was keenly discussed and though approved by a large majority of the Convention was deprecated by Messrs. Haultain and Elliott and others on the ground that it might unduly embarrass the North-West Government and unnecessarily hasten an event which, though inevitable, should be deferred as long as possible.*

Meanwhile, two members of the Government had been visiting the East. Mr. G. H. V. Bulyea visited Ottawa, Montreal and Toronto. At the latter place on February 23rd he told the *Globe* that 100,000 people would be added to the North-West population during the year, expressed great satisfaction with American immigrants, hoped no more land grants would be given to railways, expected an increase of 75 per cent. in the grain crop for 1903, declared that there was plenty of room for the Grand Trunk and other trans-continental lines and concluded by saying that "anyone who attempted to introduce the party system in the Territories would be so completely snowed under that he would not be heard of again." A little later Mr. Premier Haultain was in Ottawa and Montreal. To the Montreal *Star* of February 27th he declared himself hopeful as to his recent interviews with Sir Wilfrid Laurier and that he expected a larger cash grant. At present the Territories only received $450,000 a year and at least $1,000,000 was imperatively needed. Upon the subject of railways he was quite explicit: "I would insist on the point that while we need more

* NOTE—Report in *Rocky Mountain Echo* of Pincher Creek, Alberta.

railways, we should not be asked to pay for having them. In the first place the country to be covered is so rich that as soon as a mile of railway is built it will pay for itself. Then, again, any line that wants to go to the coast will have to pass through the Territories. Too much land has been given away already, and there is not any reason why any more should be granted."

The Territorial Legislature was opened on April 16th by Lieut.-Governor A. E. Forget. Mr. A. G. Gillis, M.L.A., Deputy Speaker for the past four years and a Conservative in Dominion politics was unanimously elected Speaker of the new House. In his speech, His Honour mentioned the King's illness and Coronation; referred to the prosperity and growth of the Territories as having greatly increased the duties and responsibilities of the Government and Legislature; urged the claims of the Territories to Provincial status and the need of better transportation facilities; announced the decision of the Federal authorities to extend the jurisdiction of the Legislature in the important matter of land titles; and stated the necessity of legislation in this latter connection.

On the following day the Premier announced that, pending word from Ottawa, as to pressing financial matters only a few necessary measures would now be taken up and then a long adjournment asked for. On April 20th the Address in reply was moved by Messrs. W. F. Finlay and Thomas McNutt. It was agreed to without comment from the Opposition after a speech from the Premier in which he referred to his attendance at the Coronation of the King "in a free land of free men;" urged the necessity of autonomy and stated that the Government had asked from Ottawa $905,000, altogether, for the requirements of the year. He declared that the Canadian Pacific Railway had not done its duty by the Western country and thought the time was past when any national railway undertaking should be subsidized with North-West lands. On April 22nd the Premier defined his position as to the party lines question very clearly. He pointed to the practically unanimous feeling which had existed up to the present that the House should divide on the merits of each question and not on extraneous names and principles.

> With regard to my position with the Conservative party. I am in thorough unison with it on all questions of principle, and am confident and believe that its members are just as strong now as they were in the days of either success or adversity, and that its principles are just as sound and good. The policy of that party and those principles have nothing whatever to do with my position in this House or with the business of this House. The country may be satisfied that I will faithfully and sincerely and impartially do my duty and fulfil my trust on the lines I have given time and time again to my constituency, to my colleagues, to the House and to the people of the Territories generally.

Upon April 23rd Mr. A. C. Rutherford, B.A., B.C.L., of Strathcona, a Liberal in Dominion politics, was elected Deputy Speaker. On the ensuing day, upon motion of the Premier, a Resolution was unanimously passed demanding that there be no further alienation

of the public domain of the Territories by the Federal authorities; another complaining that the Canadian Pacific Railway had absolutely failed in providing adequately for the products of the West; and one asking for Provincial autonomy and financial grants similar to those of the other Provinces. The House adjourned on April 25th until June 8th. At Ottawa, two days previous to this latter date, the Cabinet considered the financial demands of the North-West and it was announced that in addition to the past year's subsidy of $457,000, a sum of $250,000 would be granted to pay off the deficit, while there would be an increase in the new subsidy and a payment on capital account.

The adjourned Legislature met again on June 8th, but no statement was made by the Premier. During the next few days legislation was passed re-enacting the Ordinance taxing outside corporations doing business in the Territories—which had been disallowed at Ottawa; incorporating the Western Canada Historical Society, the Western Canada College and the City of Regina; rearranging the taxation for drainage purposes; dealing with the issue of liquor licenses; amending the Acts respecting prairie and forest fires. The Budget was presented on June 18th and dissatisfaction expressed by the Premier with the Ottawa proposals. On the following day the House was prorogued. Under date of June 15th Mr. Haultain wrote a vigorous letter to the Minister of Finance at Ottawa deprecating especially his proposals in connection with the advance on capital account.

The second Session of the Fifth Territorial Legislature was opened at Regina on October 29th with the usual ceremonies. His Honour the Lieut.-Governor congratulated the country upon its gratifying harvest; intimated that members had been called together again so as to enable ordinary future Sessions to be held in the autumn; mentioned the new powers conferred by Parliament in the control of the qualifications for membership in the Legislature and in certain matters affecting the administration of justice; suggested a gradual decentralization in the work now done by the Territorial Government and promised legislation looking to rural organizations; and intimated a measure for the creation of a Western University. In the legislation which followed up to the prorogation of the House, on November 21st, was Mr. Haultain's measure regulating the conditions of membership in the House along the constitutional and customary lines of the Provincial Legislatures—including, however, the right of a woman to be elected to the House; a Bill incorporating a North-West University along the lines of that of Manitoba; amendments to the School Ordinance limiting the Board of Trustees to borrowing $800 without a vote of the tax-payers; the incorporation of Moosejaw as a Town. Resolutions were passed re-affirming the demand for Provincial autonomy and on November 18th Mr. A. C. Rutherford presented the Report of a Committee on Municipal institutions for the Territories.

The Question of Territorial Autonomy

During 1903, as in the preceding year, Mr. F. W. G. Haultain, K.C., Premier of the North-West Territories, continued to press the matter of a Provincial status for the Territories upon the Dominion Government. At the same time he was urgently pressing for a larger financial allowance from the Dominion. In a Montreal interview, on February 26th (Regina *West*, March 4th), Mr. Haultain described his contention at Ottawa as follows: "I insisted that Provincial rights should be granted as soon as possible. The objection raised by the Minister of the Interior, that it was impossible to see at present whether it would be more advisable to have one or more Provinces, is not worthy of serious consideration. The rights that are granted to any Province are very large, and such rights would permit of one Government being amply sufficient for the entire territory. Then it was objected that the people were not unanimously in favour of one Province. Could you ever expect to get an entire people to be unanimous on any question, especially an important one? I simply pointed out that by far the greater majority were in favour of one Province, and that I was acting in their behalf." The Premier seems to have been strongly supported in his advocacy by the public of the Territories. At a meeting of the Calgary Board of Trade, on March 3rd, the following Resolution was unanimously approved:

> Resolved, that in the opinion of this Board, the time has fully arrived that calls for this portion of the Dominion of Canada, known as the North-West Territories, to be erected into a Province, with all Provincial rights and privileges. The great number of settlers pouring into the Territories from all parts of the world, the greatly increased demands for money for roads, bridges and public works, as well as schools, most strongly impress upon the Board that the only successful way to cope with and meet our ever-increasing obligations is by having the power to deal with all the vast requirements of this portion of Western Canada from the standpoint of a Province.

On the ensuing day, the Central Liberal Association of East Assiniboia, meeting at Moosomin, reaffirmed a motion of April 2nd, 1902, in the following words: "Whereas, the present powers contained in the N. W. T. Act are insufficient for the proper government and development of this country—therefore, be it resolved, that in the opinion of this Association the Federal Government should immediately take up the question of Provincial autonomy and place us in possession of full Provincial powers."

Meanwhile, on February 3rd, the Territorial Premier had written Sir Wilfrid Laurier recapitulating the reasons for granting the Provincial status; urging Territorial representation at Ottawa on the basis of an estimated population of 350,000 people at the end of the year and of at least 600,000 before the next Census—which would call for not less than 20 members; and asking a per capita financial allowance of 80 cents per head on an initial population of 400,000. Then followed the visits of himself and Mr. G. H. V. Bulyea to Ottawa and a brief interchange of notes

in which the Minister of the Interior made no direct answer to the Western Premier's demand for Provincial autonomy. So in further correspondence on the financial question with the Hon. Mr. Fielding.* At the opening of the Territorial Legislature on April 16th, the Lieut.-Governor's speech contained the following reference to the subject:

> For some years past the Government and Legislature have been pressing upon the Federal Government the absolute necessity for larger powers and revenues if the duties and obligations already imposed upon them by Parliament and the further obligations imposed by new conditions are to be adequately fulfilled. In their latest negotiations with the Federal Government my Government again forcibly impressed the immediate necessity for the granting of Provincial Institutions to the Territories. As a result of these representations a Conference was held at Ottawa in the month of February last between members of my Government and a Sub-Committee of the Privy Council appointed for that purpose. I regret to say that no intimation has yet been given by the Federal Government as to the action they propose to take as a result of the Conference.

On April 24th a Resolution was unanimously passed by the Legislature pointing out that the Territories have had "imposed upon them the duties and obligations incidental to political institutions" bearing a close analogy to those existing in the Provinces of Canada; and demanding that their institutions be made complete and effective and their powers sufficient for the proper local government of the country. Dealing with the attitude of the Finance Minister, Mr. Haultain wrote to Sir Wilfrid Laurier on June 2nd saying that his own request for Provincial institutions merited "some further reply than can be gathered by implication from the fact that Mr. Fielding does not refer to it." The Prime Minister's answer was dated June 8th and, after referring to the new financial terms accorded to the Territories, proceeded as follows:

> I have had the honour to discuss the matter with the Members of the House of Commons from the Territories. I have asked them to consider whether it would be advisable to have such legislation introduced this year. We are, as you know, introducing a Redistribution measure at the present Session, and we are giving to the Territories a much larger representation in the House of Commons than they would be entitled to, were they to become a Province. In fact, the Bill which we have introduced allows to the Territories a representation in the House of Commons of ten members. Were they to be admitted at once as a Province they would be entitled to only six members. It would be a question of extreme difficulty and complications to give to the Territories at the same time all the advantages of a full Provincial organization without the corresponding disadvantages.

Mr. Haultain wrote again on June 15th in response to this letter. He declared the reasons given for delay as quite foreign to the subject; thought that legislation respecting representation would not be affected by concurrent legislation making the Ter-

* NOTE—*Hansard*, October 13th, 1903.

ritories a Province; pointed out that the giving of representation to both British Columbia and Manitoba, when coming into Confederation, was not based upon the British North America Act; declared the question of representation and autonomy to be distinct and separate; and deprecated the assumption that members of the Commons should be taken as representing the Territories upon this question against the opinion of the Local Legislature. Under date of the following day a letter was written to Sir Wilfrid Laurier by Mr. G. H. V. Bulyea, the Liberal Commissioner of Public Works in the Haultain Government, which was not made public until some time later. In it he asked permission to deal with matters material to the welfare of the Liberal party in the Territories and proceeded to refer to the financial assistance that was absolutely necessary "if the alternative of Provincial autonomy were not granted to us." He then proceeded as follows: "I have had considerable correspondence with the Federal members representing the Territories, who were kind enough to apprize me of the general representations they had made to your Government, and I advised them that I consider that if such were adopted it would reasonably satisfy the general public in the Territories, and would put your candidates and your supporters in the coming election in a position in which they could fight with zeal and, I am pleased to say, with every prospect of success."

He approved of the grants proposed, though not as much as asked for, and thought they would be of very material assistance to his own Department. The capital advance suggested was, also, he thought, much needed. But he dissented strongly from the Federal proposal to charge against this latter sum an expenditure of $84,000 upon two bridges which were, he contended, Federal public works. The letter was endorsed as to its views and signed by the following 15 members of the Legislature: G. W. Brown, L. G. de Veber, J. W. Woolf, W. T. Finlay, C. A. Fisher, A. D. McIntyre, Chas. Fisher, A. S. Smith, P. Talbot, P. Prince, R. A. Wallace, J. A. Simpson, A. S. de Rosenroll, T. MacNutt, and A. C. Rutherford. Meanwhile, at Okotoks, on June 13th, a Conservative Convention had passed a curious Resolution proposing that the terms of autonomy be settled by Arbitrators, two of whom should be appointed by the Dominion, two by the Territories and one by the Imperial Government.

To the Toronto *Globe* correspondent at Ottawa Mr. T. O. Davis, M.P., on July 10th, said that "the question of Provincial autonomy is not troubling the people of the Territories to any great extent. The whole agitation is confined to a small band of politicians who have more to gain than the public by a change in the status of the Territories. He did not see that they had very substantial grievances. Their receipts from the Dominion were larger than would be given them as a Province; their lands were not being sold by the Dominion but were being settled at the expense of the people of Canada; the Dominion Government were guaran-

teeing the bonds of railway companies to open and develop the Western country; the people themselves were now more lightly taxed than any other portion of the Canadian population. In the Toronto *News* of July 13th, Mr. D. J. Goggin, M.A., late Superintendent of Education in the Territories, pointed out that the people had demanded autonomy in the recent general elections; claimed that the Federal grants from year to year bore little relation to the representations of the Territorial Premier or to any understood principle; spoke of the increasing and urgent demands for education and public works; and referred to the existing separate Catholic schools and the right to use the French language. Upon the latter point he said:

> There are those who assert that the delay is owing to difficulties anticipated in connection with separate schools and the use of the French language. It is said that the Legislature will insist upon being left perfectly free to deal with these as with all other questions of internal administration, though I have not seen any declaration to that effect by the Premier or the Legislature. It is hinted that certain powerful political influences, operating outside the Territories, have made it clear to our rulers at Ottawa that a guarantee of separate schools and dual language must be an integral part of any autonomy measure.

In the same paper on August 6th appeared an interview at Winnipeg, of a week before, with Mr. James Clinkskill, M.L.A., of Saskatoon. Speaking of the existing Separate School system in the Territories he declared that it had worked satisfactorily to the laity "but it was said the Hierarchy wanted a clause in any Act granting Provincial autonomy which should give them absolute control over these schools." At Winnipeg on October 5th Mr. G. H. V. Bulyea of the Territorial Government told the same paper's representative that the Territorial demand at the preceding election for autonomy and one Province was overwhelming—30 votes in the Legislature to five. He was not afraid of the Separate School question which had been given as a reason for delay. "As a matter of fact there is less friction over this question in the Territories than in Manitoba." Debates upon the subject took place in the House of Commons on September 24th and October 13th, and in the Senate on October 9th.

The press continued to discuss it from time to time and the Toronto *News* was notably able in its advocacy of the grant of autonomy. The Manitoba *Free Press* put the Liberal view succinctly on October 15th. "When the Dominion deals with the Territories it is desirable that a permanent and final settlement should be reached. At the moment a settlement having the elements of finality would be difficult to attain; and nothing will be lost and much gained by a reasonable delay." The Ottawa *Free Press,* of October 24th, thought the rapidly increasing population, its newness and ill-digested elements; the question of one or two Provinces and the matter of Manitoba extension; and the fact that present financial arrangements made it practically unnecessary;

were sufficient reasons for delay. The Brantford *Expositor,* another Liberal organ, on October 28th, intimated that the Separate School question which had been "such a cause of heart-burning in Manitoba" might be another reason for postponing autonomy.

Regina gave a public welcome home on October 20th to Messrs. Walter Scott, M.P., and Frank Oliver, M.P., and in their speeches considerable space was given to this question. The former gave as his reason for approving delay in the matter the recent decision of the Supreme Court of Manitoba under which it had been held that all Canadian Pacific Railway lands and properties in the Territories were subject to taxation for school purposes. This he believed to be due to their Territorial status and if that were changed before the liability of these lands was finally settled in the Courts they would lose the right of such taxation. Mr. Oliver thought it was all a matter of terms and if suitable ones could not now be obtained then delay was desirable.

In its issue of November 7th, the Toronto *News* had a long interview with Mr. Haultain, given to its correspondent at Regina. The Territorial Premier wanted autonomy (1) because it would enable the Legislature to deal without restriction in regard to many matters in which it was now gravely hampered; (2) because it would enable them to borrow money to improve an enormous undeveloped estate which required legitimate expenditure upon capital account; (3) because any fair basis in a financial sense would give them a greatly increased revenue; (4) because they were of age and it was their right with a population 20 times as numerous as that of Manitoba when it became a Province and with more people than there were in New Brunswick, or British Columbia, or Prince Edward Island, in 1901; (5) because the people had demanded it at the polls. Dr. Elliott, the Commissioner of Agriculture, criticized the Dominion Government for indifference to Territorial interests. They had committed themselves to nothing one way or the other. "Meanwhile the need for settled institutions of one kind or another is daily pressing upon us. We have no power, as the Provinces have, to build poor-houses, asylums or homes for incurables. We are paying out $130 a day to the Manitoba Government for the care of our insane who could be much more economically provided for by ourselves." The possession of their own lands, timber limits and mineral properties was their right.

Mr. G. H. V. Bulyea, on the same occasion, intimated that the chief powers lacking to the Territories were the pledging of public credit and the right to charter railways. The Dominion Government, by the increased financial assistance lately given and the chartering of the Grand Trunk Pacific Railway, "have largely met the immediate needs for which these powers were asked." He believed that these matters of Federal policy and the able administration of the Interior Department by the Hon. Mr. Sifton would more than counterbalance any hard feeling toward the Laurier Government in the Territories caused by delaying the grant of autonomy.

Reviewing the situation on October 31st the Toronto *News* condensed the arguments of those who defended the delay in granting these demands. And, after criticizing or canvassing each of these contentions, the paper proceeded to say that the real reason for delay was not mentioned in public. It was that "the Government dare not act for it fears the raising of the Separate School issue by the Hierarchy of Quebec." In the Territorial Legislature on November 2nd, Mr. Haultain drew attention to the fact that in the recent bye-election in St. Albert both candidates had stood strongly upon the autonomy platform. Four days later Dr. T. A. Patrick asked a series of questions in the Legislature regarding the Hon. Mr. Bulyea's letter to Sir Wilfrid Laurier. The letter was frankly acknowledged and the signatures admitted. It had not been referred to the other members of the Territorial Government.

In this general connection the Winnipeg *Telegram* of November 17th gave a pleasing picture of what the Opposition might have done for the Territories—if given the chance. "The Conservative policy would give the Territories immediate autonomy, would give them 50,000,000 acres of land, and would give them terms equal to those of any of the older Provinces. And if Mr. Borden's policy had been followed the Territories would have been given, Session before last, the right to collect taxes on all C. P. R. lands, the Government indemnifying the Company if the Courts decided the case against the Government." The subject was again discussed by the North-West Premier in his Legislature on November 18th when, after a long speech he proposed and carried without opposition another Address to the Governor-General praying for the grant of autonomy. He dealt exhaustively with the whole subject and especially the financial element. If they entered Confederation upon the worst possible basis—that of Manitoba—they would this year have had $1,487,000 revenue and been entitled to 40,000,000 acres of land while their total Provincial expenditures would have been $1,090,000. Three days later in debating this subject Mr. R. B. Bennett strongly attacked Messrs. Scott, Oliver and Davis for their encouragement of delay in the House of Commons at Ottawa. "He had thought that these gentlemen, in view of the fact that the legislation was non-partisan, would have worked manfully for the common cause of the country." There the matter rested for the year.

The Autonomy Question in Parliament

On September 24th, there was a debate in the House of Commons arising out of Mr. Fielding's proposals for increased financial aid to the Territories. In his short speech the Finance Minister said little about the autonomy question except that "the time was close at hand" when full power must be given to the Territories and this omission was criticized by Mr. W. F. Maclean and others. In reply the Minister expressed the belief that both sides of the House, "at a very early day," would have pleasure in

extending the powers of the Territories. Sir Wilfrid Laurier, in speaking, deprecated the statement that the Territories under the present Redistribution had a right to ten seats at Ottawa. "We are giving them ten members not because they are entitled to that number but as an act of grace." If they became a Province they would not be entitled to so many representatives; they would lose their present power of taxing the railway lands of the Canadian Pacific Railway for school purposes; their people were not unanimous as to whether they should be divided into two Provinces or become one. "For these reasons we had better reflect coolly and seriously before we make the final jump." The only important power now lacking was, in any case, the right to borrow money.

Dr. W. J. Roche protested against the Premier's point of view which, he said, involved the refusal of selfgovernment to the Territories for many years to come. If there was doubt as to the one or two Provinces matter let the Government give them a plebiscite. Mr. Frank Oliver stated that the Territories were not asking for autonomy on the same basis as the other Provinces. "They are asking for Provincial autonomy subject to two conditions radically different from those on which it has been received by the others. One condition is that the *per capita* allowance shall be raised on the basis of population arrived at by a Census taken every five years; and the other is that the Debt account shall be revised at the end of the ten-year Census." Various references were made to an expected Federal grant of North-West lands to the Grand Trunk Pacific and Dr. Roche estimated the total value of these lands at $150,000,000.

Mr. Fielding's Resolutions were discussed in the Senate before finally passing on October 9th. The Hon. W. D. Perley pleaded for full autonomy. Without it the people could not tax themselves and could not adequately provide for education or development. The Hon. James McMullen protested against any further grants to the Territories. Immigrants should be considered a source of wealth; not a reason for demanding more money at Ottawa. Sir Mackenzie Bowell supported the Western plea for self-government and the Hon. J. A. Lougheed declared that if neither self-government nor increased grants were given them there was nothing to do for the Territorial Government but to throw up their hands and refuse to govern.

In the House of Commons on October 13th there was a prolonged debate upon the subject of autonomy. It was caused by a Resolution of the Leader of the Opposition which recapitulated the Addresses of the Territorial Legislature praying for self-government; pointed to the powers exercised by the other Provinces and then declared: "That the time has arrived when the same powers of local self-government should be granted to the people of the North-West Territories of Canada and to this end the said representations and prayer contained in the said humble Addresses should be taken into immediate consideration and acted upon forth-

with." Mr. Borden went somewhat elaborately into the history of the question, the demands made from Regina and the correspondence carried on with the Ottawa Government. In his own tour of the Territories in 1902 he had found the people of this Western country eminently fitted to exercise self-government; strongly imbued with the idea that the public domain should be conserved for public purposes and not handed over to corporations and promoters; entirely fitted to control their own expenditures and money matters, their own lands and minerals; very much in earnest in their demand for a Provincial status. The time had come to give them the rights and powers they desired.

Mr. F. Oliver, one of the Liberal members from the Territories, followed and expressed appreciation of what he termed the new interest shown in the West by the Opposition. He referred to the Territorial demand for a *per capita* grant and Debt account based upon the increasing population and declared that "no other arrangement can or will be satisfactory." He asked whether the Opposition was willing to accept terms different from those granted the other Provinces. As to Provincial powers they could be given the Territories without the actual name and status. If financial demands and local interests were fully attended to they would be "better satisfied than they would be with an empty offer to allow them to sell their public lands and to incur debt on their own account." So far as the Dominion subsidies were concerned the Territories this year at $4.47\frac{3}{5}$ per capita would be far ahead of Ontario with its subsidy of $66\frac{1}{3}$ cents, Quebec with 66 cents, Nova Scotia with $94\frac{1}{4}$ cents, New Brunswick with $1.40, British Columbia with $1.72, Manitoba with $2.08\frac{1}{2}$ or Prince Edward Island with $2.05\frac{1}{2}$ per head.

In railway matters the Territories were benefitting greatly by Federal and other legislation and by the credit of the country—to the extent of some $9,000,000 in the case of the Canadian Northern and some $12,000,000 in the projected Grand Trunk Pacific. Personally, Mr. Oliver favoured one Province but thought the matter was fair ground for discussion and consideration. He stood upon the terms submitted to the Government by Mr. Haultain in his Draft Bill and did not want autonomy without them. As to the immediate agitation and demand he expressed his view clearly: "I beg to assure Hon. gentlemen that the Territories are not in the state of excitement in regard to Provincial organization which they seem to imagine. They will find that with fair treatment in the matter of subsidy the people will be satisfied, whatever the politicians may be, or whatever may be those who would desire to exploit the resources of the country if placed in other than the present hands.

The next speaker was Mr. T. O. Davis, who did not appear to think the people of the Territories were thirsting for autonomy and who quoted the Alberta *Advocate* of October 5th as saying: "It is a God-send for the country in general at the present time that

Provincial autonomy has been withheld." Like Mr. Oliver, however, he was willing to support the Territorial Premier's full demands, including the Federal payment for all North-West lands that had been given away to railways and for homestead lands which had been taken up, but was very doubtful if the Federal Opposition would endorse such a policy. He estimated that the Territorial revenues this year upon the ordinary Provincial basis would be $962,000 as against $1,041,979 which they would actually receive from Ottawa and $250,000 which it was proposed to lend them.

He then enumerated the various additional expenses which Provincial status would entail upon the people of the Territories—including the maintenance of the North-West Police, the administration of justice, the maintenance of asylums, the various public works now constructed by the Federal authorities and the increased cost of general government. The Dominion Government were now guaranteeing bonds for some $20,000,000 for the construction of railways in the Territories and if Mr. Haultain's agitation had been successful at first, the resources of the new Province would have been charged with most of this. He instanced Manitoba with its $16,000,000 of indebtedness. He favoured the creation of two Provinces, as did the people of his district, and claimed that Mr. Haultain's victory in 1902 was a "snap" verdict and not a decisive expression of opinion upon the question of autonomy. "The people whom I represent (Sastatchewan) are opposed to Provincial autonomy at present." His belief was that they were doing very well. "Let well enough alone."

A new argument was presented by Dr. W. J. Roche of Manitoba who claimed that autonomy would create contentment amongst the settlers, and thereby promote immigration. He also quoted a letter written by Mr. Davis to the Prime Minister on April 14th preceding which enclosed a Resolution in favour of autonomy passed by the Board of Trade of his own town of Prince Albert. Mr. Walter Scott, another Territorial member—all three being Liberals—charged Mr. Borden with trying to make this a party question. He stated his old attitude as being favourable to full self-government in the Territories; his present position as being opposed to immediate action in the matter of autonomy. The reasons given were the Canadian Pacific Railway tax exemption in the case of school lands which apparently would not hold good under Provincial status; the fact of recent excellent financial arrangements by the Federal Government; the demand of the Provincial Premiers for readjustment of Federal subsidies; the lack of any fair comprehension of the matter by Parliament and the people of the other Provinces—including especially Mr. Borden who had declared himself unacquainted with the details of Mr. Haultain's proposed Bill for the grant of autonomy.

Mr. Scott gave some interesting figures as to lands in the Territories which had been given to various railways. North-West

lands, he claimed, had been taken to construct 650 miles of railway in Ontario and 253 miles in British Columbia. Out of 30,000,000 acres granted to these Companies the Territories had furnished 26,000,000 acres. They furnished about 86 per cent. of the land earned by various railways yet only 43 per cent. of the land-aided lines (1,606 out of 3,741 miles) were built in the Territories. No Minister spoke in the debate and at the conclusion of Mr. Scott's speech a vote was taken upon the Resolution of the Opposition Leader. It was rejected by 63 to 29 in a very small House.

The Prior Government in British Columbia

Lieut.-Col. Edward G. Prior, who had been carrying on the Provincial Government since November 21st, 1902, with considerable difficulty, found the task a still more onerous one during the early part of 1903.* Finally, it became a hopeless struggle with only one end in sight. On January 5th, he outlined the policy of his Government in view of the pending bye-election in West Yale—for which, on January 15th, the writ previously issued on November 25th was formally cancelled and a new one issued. He declared that they had never had any intention of leaving this constituency unrepresented at the next Session and that the main plank in the policy of his Government was development by means of railway building. He wanted to see a line from Vancouver to the north, believed in the construction of the Coast-Kootenay Railway, disapproved of the proposed trans-continental road running to Port Simpson and thought it should come through Cariboo, down to Bute Inlet, and across to the Island. He was willing in that case to aid it with land grants. He proposed to immediately revise the mining taxation system; hoped to effect some improvement in the land titles and deep placer and hydraulic mining claims; advocated the gradual survey of unoccupied Government lands for the purpose of placing settlers thereon; mentioned his coming visit to Ottawa in quest of better terms; and declared his intention to re-enact the alien immigration legislation which had been disallowed.

This general policy was approved in many quarters. The Vancouver *Province* pointed to the Premier as having unusual qualifications in his business experience for the carrying of it out and hoped he would succeed. Mr. Joseph Martin, M.P.P., whose influence was considerable—sometimes constituting a balance of power in the narrow majorities of the moment—expressed opposition to the Government in this connection. "The real difficulty with the Government is that they represent nothing except obstruction to the party line movement. This obstruction is against the wishes of the majority of the people of the Province of both political parties." According to this interview (Vancouver *Ledger*, January 7th) he believed they would be defeated in West Yale and be compelled to

* NOTE—His Ministry at this time was composed of himself, as Minister of Mines, Mr. D. M. Eberts as Attorney-General, Mr. J. D. Prentice as Minister of Finance, Mr. W. C. Wells as Commissioner of Lands and Works, and Mr. W. W. B. McInnes as President of the Council.

resign. Three days later, the New Westminster *Columbian* called on the Lieut.-Governor to dismiss his Ministers.

Shortly after the issue of the writ in West Yale the Premier made public a Manifesto addressed to the electors of that constituency and dated January 17th. It was an elaborate presentation of his policy and views. As a business man he appealed to them for aid in ending the prolonged period of political unrest which had so greatly injured the Province; stated that for the past fiscal year the expenditures had been kept well within the appropriations and believed that in the coming one the expenditures would be equalled by the actual receipts; dealt at length with the necessity of readjusting relations between the Province and the Dominion; expressed dissatisfaction with the "unfair incidence" of the existing mining tax and hoped to adjust its inequalities; dealt elaborately with that "difficult and delicate problem," the railway question; approved a colonization line from Kitamaat to Hazelton and of railway development in the Similkameen and Nicola Districts; referred to the value of a new trans-continental line in opening up for them the great North-West market for lumber, fruit and fish; based his idea of railway aid upon land grants alone; promised to encourage white settlement and to vigorously oppose Oriental immigration.

At a Conservative meeting at Kamloops on February 13th Mr. Charles Wilson, K.C., the Conservative Leader in the Province, took occasion to denounce the present "mixed outfit" Government. In this he was joined by Mr. F. J. Fulton, M.P.P., another Conservative.* Meanwhile, the West Yale election was going on with Mr. C. A. Semlin, Premier of the Province in 1898-1900, as the Opposition candidate, and Dr. Sanson as the Government one. At the general elections in 1900 Mr. Dennis Murphy, a Liberal, who so dramatically resigned from the Provincial Government a few months before this, had been elected by 203 majority. Many meetings were addressed by the Premier and other supporters while Mr. Semlin was aided by Messrs. R. G. Tatlow, R. McBride, Leader of the Opposition, John Oliver, M.P.P., and Mr. Joseph Martin. The last-named issued an Address to the electors declaring that the Prior Government existed for the express purpose of nullifying the party line movement and continuing the old and disastrous system of personal government; stating that the present Government would not have a majority in the House when it met and could not, therefore, carry out their promises; congratulating the Province upon the fair Redistribution measure of the previous Session; deprecating the use of land grants to aid railways and prophesying a general election very shortly upon party lines.

In reply to this Mr. Richard Hall, M.P.P., a Liberal, wrote to the press on February 2nd denouncing Mr. Martin and all his works and protesting against his right to "prostitute the name of Lib-

* NOTE—Colonel Prior, though himself a Conservative and one-time member of a Conservative Government at Ottawa, had several Liberals in his Ministry, notably Messrs. W. W. B. McInnes and W. C. Wells.

eral" as he was doing and asking the electors to support Dr. Sanson. On February 26th, Mr. Semlin was elected by 112 majority. The result was hailed by the Liberal and Conservative press which supported the Opposition as involving the immediate downfall of the Government. The general confusion of personalities and politics was indeed so great that they had as good a right to make this claim as the Government had to assert that they would have a majority when the House met. The Vancouver *World* (L.) on the following day looked forward to Mr. McBride soon forming a Government with a majority which would enable him to "carry on the Government until the natural date of a general election, on the understanding that party lines will then be definitely introduced with the definite understanding and approval of both the interested forces." On March 1st, Colonel Prior told the Mining Convention at Victoria that he had always been opposed to the Mining tax and asked their co-operation in the preparation and levying of a more equitable imposition. At the Conservative Club in Vancouver, on the 28th February, Mr. Charles Wilson, K.C., had made another vigorous appeal for party lines in Provincial politics.

On March 7th the Liberal Convention of the Kootenay and Boundary Districts met at Nelson and organized a District Liberal Council covering 12 constituencies. A Resolution was unanimously passed declaring that: "With a view to the establishment of a really responsible Government in this Province the Liberals of British Columbia should enter the Provincial arena as a party and that in every riding a Liberal candidate should be nominated for the next general election." A week later the Vancouver Conservative Club listened to an address from Mr. F. Carter-Cotton, who was at one time a Member of the Semlin Government. He denounced the political opportunism which had been going on for so many years in British Columbia and referred to the weakness of all recent Provincial Ministries.

> The great question, he supposed, agitating both Liberals and Conservatives at the present time was the question of how the next election would be fought—whether on party lines or in the sort of 'go as you please' way in which politics had been carried on in the past. He confessed that, although in many respects opposed to party lines (and when he said party lines he meant the introducing of Dominion issues into Provincial matters), still the situation was so confused at the present time that he thought that was probably the best way out of the difficulty.

Writing upon this latter point to the Victoria *Times* of March 21st Mr. A. E. McPhillips, K.C., M.P.P., said: "If you could understand that the desire for party lines is universal throughout the Province, or even a majority sentiment, and all the members of our present House were to be at liberty to divide upon party lines, it would not be long before a Liberal or Conservative Government was in office. It may be unfortunate, but such is the case, that the members have been returned to the Legislature independent of party lines and they consider they cannot honourably act as you

would suggest." He deprecated the too general attacks upon the politicians of the Province and gave several illustrations of fair and honest political action.

The third Session of the Ninth Legislature of the Province was opened on April 2nd by Lieut.-Governor, Sir Henri Joly de Lotbiniére. His speech referred to the injurious nature of recent disputes between capital and labour and promised conciliatory legislation; mentioned the increase of settlement in the Province and the growing market in Manitoba and the Territories for British Columbia products; promised measures opening up lands for immigrants and adjusting liabilities for dyking, against lands within certain districts; intimated legislation readjusting the taxation upon metalliferous mines and amending the Coal Mines Act so as to secure the greater safety of operatives; informed the House of the legislation pending at Ottawa to increase the Chinese head-tax from $100 to $500; and promised the re-enactment of the Oriental immigration measures of the preceding year. It had been found by this time that the Government would probably command a small majority owing to the objection of at least two members to a dissolution which would result in their defeat and, in the case of others, to various personal reasons. Apart from these the Government had the steady support of 18 out of 38 members. Messrs. McBride, T. Taylor and R. F. Green of the Opposition, however, thought very differently as to the prospect and so informed the Revelstoke *Herald* of April 2nd.

Mr. Charles E. Pooley acted as Speaker and the Address was moved by Messrs. W. H. Hayward and A. W. Smith. The latter thought the grievances heard of from the 2 per cent. mining tax to be exaggerated. "No one should ask an unfair exemption for the mining industry which, as the most important and best industry of British Columbia, should help to support the other industries as they develop." In following these speakers the Opposition Leader declared that the Government had not gone far enough in their representations at Ottawa regarding the disallowance of the Oriental immigration Acts. "There should not be a special law for Natal and New Zealand and none for British Columbia." He urged a Provincial Conference with the United States authorities "with a view to the suppression of traps and substitution of gill-net fishing" in connection with the salmon industry. He thought the stagnation in mining due to the operation of men of the Whittaker Wright stamp—the floaters of rotten companies—rather than to the 2 per cent. mining tax. It might, however, be advisable to suspend all mining taxation for a stated and limited period so as to enable the industry to thoroughly recover. He charged the Premier with being a "Little Islander" because he was opposed to Port Simpson as the terminus of the Grand Trunk Pacific project. In his reply Colonel Prior expressed the view that modification rather than abolition was all that could just now be done with the mining tax. As to the people's voice in bye-elections he

proposed to stay by that of their representatives in the House and so long as he had a majority there he would continue to govern the Province. He dealt at some length with their proposed Labour legislation and described difficulties in this connection as one of the reasons for depressed mining conditions. After further speeches the Address passed on April 7th without a division.

Immediately after this, Mr. John Oliver prepared the way for the event of the Session by moving and carrying without objection the appointment of a Select Committee composed of Messrs. C. W. D. Clifford, H. Dallas Helmcken, A. W. Smith, R. F. Green and A. E. McPhillips to investigate all matters affecting the granting or proposed granting of a land subsidy to the Columbia and Western Railway Company. On April 8th, and almost unanimously, the House passed the second reading of the Government measure aiming to exclude Chinese, Japanese and other undesirable immigrants by the provision of an education test. Other measures along the lines of exclusion and which had always been disallowed previously were re-enacted. During his speech upon this question Mr. Joseph Martin declared that the Ottawa Government were alone responsible for the disallowance, that the Imperial Government had not asked for it and that, in fact, the original legislation had been based upon a letter written some years ago by Mr. Chamberlain suggesting the Natal Act as a model for British Columbia. On April 14th Mr. Smith Curtis, on behalf of the Opposition, moved that it was in the interest of good government that there should be a dissolution of the Legislature and an appeal to the country immediately after the close of the Session. The Government claimed the Resolution out of order and, as one of their supporters was away, the position was threatening. The Speaker finally stated that he would give his decision next day. He then declared the motion in order with the omission of words relating to an appeal to the country and the first division of the Session took place. The casting vote of the Speaker saved the Government from defeat.

A Resolution was unanimously approved by the Legislature on April 23rd urging the Dominion authorities to aid in some way the silver-lead industry. Meanwhile, Bill No. 16, cancelling certain grants of land to the Columbian and Western Railway, on the ground that the land conveyed by the patents was not that to which the Railway was entitled, had passed the House two days before and, pending action thereon by the Lieut.-Governor and a Report from the Select Committee which was investigating the original situation in respect to the matter, there was great interest as to the position of the Government and countless rumours regarding it. One phase of the situation was soon relieved by the Lieut.-Governor giving his assent to the measure; the inquiry, however, developed various charges and much controversy and conflicting evidence. On May 26th, shortly before the official Report was expected to appear, it was announced that the Premier had requested and received the resignation of the two Ministers connected with the Railway affair

—the Hon. W. C. Wells and the Hon. D. M. Eberts. On the following day Mr. W. W. B. McInnes resigned and in his letter to the Premier stated that the action was taken with a view to facilitating an appeal to the country on party lines.

The discussion which ensued in the Legislature was stormy and personal in the extreme. Interjected into the general debate was the Chimney Creek Bridge affair in which a Government contract had been given to Colonel Prior's business firm in Victoria upon a tender submitted after the Premier had admittedly seen the other tenders—or informal offers as they really were. Very few charged the latter directly with, or believed him guilty of, having made use of official knowledge in the matter, but the carelessness obviously associated with it and the ill-appearance of the affair generally had a very bad effect at this juncture. During the debate a Select Committee composed of Messrs. Smith Curtis, Helmcken, Hayward, Richard Hall and R. G. Tatlow was appointed to inquire into the subject and it reported next day with a simple statement of the facts and without offering any conclusions. Colonel Prior swore positively, and was corroborated by his employees, that he had given no information of an official character to anyone interested in preparing his firm's tender and had nothing to do personally with its preparation or with its acceptance. The following question and answer appear in the evidence and were important from what followed:

> Q. Although you are a majority owner of the stock in the firm of E. G. Prior & Co. you don't think there is anything inappropriate in your Government, or the Government of which you are a member, buying from your firm ? A. Certainly not, any more than a member who is a lawyer, or is Attorney-General, and his partner takes charge of looking after a private bill for anybody and lobbying it through the House.

Meanwhile, the Premier had announced the crisis in his Ministry; stated that he had attended the meetings of the Columbia and Western Committee and been convinced by the evidence that he could not any longer retain his two colleagues in office; and intimated that the Lieut.-Governor had promised him a dissolution but that he would like to first get the supplies voted. Messrs. Eberts and Wells denied the charges against them and strongly criticized the action of the Premier while the Hon. Mr. Prentice, Minister of Finance, used rather un-Parliamentary violence of language in trying to explain that the Premier had had Ministers who were unfaithful to him. Upon the Premier moving an adjournment the Government was defeated by 17 to 14 votes, and Colonel Prior then intimated that he would ask His Honour to come down the next day and dissolve the House. Matters dragged along, however, until the morning of June 1st, when it was announced that the Lieut.-Governor had dismissed his Premier instead of granting him a dissolution. The reasons were given in a letter of the same date:

> The views which you expressed in explanation and justification of your action, in your answers to the Committee, especially those found on

pages 36 and 37 of the official type-written Report are so incompatible with, and so completely at variance with what I have always understood to be the true principles of Parliamentary Independence of Members and, above all, of Ministers of the Crown, that, while admitting that you must have honestly considered that you were doing no wrong, I am to my sincere regret unable to continue feeling that confidence in your judgment which would justify me in acting any longer on your advice.

The McBride Government and Party Politics

The retirement of Colonel Prior from the Premiership of British Columbia made possible the most important change in the political history of the Province since its union with Canada. On June 1st, the Lieut.-Governor called upon Mr. Richard McBride, Leader of the Opposition—a mixed body of Liberals and Conservatives—to form a Cabinet. He undertook the task, and announced that he intended to work along party lines with a Conservative Government and party machinery, and an ensuing general election fought upon the Conservative platform. At the same time no immediate step would be taken prejudicial to Liberal interests or to those who in the past had been in Opposition. In the course of the next few days, Mr. McBride was announced as Premier and Chief Commissioner of Lands and Works; Mr. R. G. Tatlow, of Vancouver, as Minister of Finance and Agriculture; Mr. Robert F. Green, of Kaslo, as Minister of Mines, and Mr. A. E. McPhillips, K.C., of Victoria, as Attorney-General. These gentlemen were sworn in on June 4th. Four days later Mr. Charles Wilson, K.C., of Vancouver, Leader of the Conservative party in the Province, and who had given way to Mr. McBride in the new party arrangements, was sworn in as President of the Council. Meanwhile, the new Premier had written a letter to Mr. Tatlow, which was read to the Legislature on June 2nd, in the following terms:

After most careful consideration, and in view of the anticipated dissolution of Parliament, I have fully decided that the interests of the country would be best served by a division on party lines. Personally I have always favoured this course, and feel sure that the electorate, as a whole, is desirous that local affairs in the Province should be so administered. The Government to be formed will be Conservative in character, and, after dissolution, it is the intention to make an appeal to the country at the earliest possible moment. In the preparation of the voters' lists, and in all other matters pertaining to the forthcoming elections, everything will be done to permit of public opinion having the fullest and fairest expression at the polls. Had Parliament continued to the expiry of its legal existence a composite Government would have been formed, and I cannot allow this occasion to pass without placing on record my appreciation of the valued co-operation of the Liberals who were my colleagues in the Opposition ranks.

The Government was now entirely Conservative in composition, for the first time in the history of the Province, and this fact, together with the ensuing struggle along party lines, ameliorated in some measure the condition of political personalities, petty issues and corrupting influences which had so long dominated the Provincial administration of affairs. And this may be said apart altogether

from whether the new Government were Liberal or Conservative in principle. Mr. McBride was notable for two things at the time of his acceptance of office—retirement in 1901 from the Dunsmuir Government upon a matter of principle, and for being hardly thirty-three years of age. The formation of his Cabinet was not entirely completed until September 18th, when Mr. A. S. Goodeve, a prominent merchant and well-known speaker of Rossland, became Provincial Secretary and Minister of Education.

Meantime, Mr. Joseph Martin, the nominal Leader of the Liberals in the Province, and the stormy petrel of politics generally, followed up the announcement of these political changes with his own resignation. It was tendered to and accepted by a meeting of the Executive of the Provincial Liberal Association, held in Vancouver on June 2nd, at which also a Resolution was passed suggesting an appeal to the Liberals of the Province "to fall into line and work together for the purpose of bringing into power a Liberal Government." The comment of the Conservative press upon this incident was in the main an expression of opinion that, whoever might be the nominal Leader of the Liberals in the ensuing campaign, Mr. Martin would be the actual fighting chief. In the House the new Premier claimed to have 22 supporters out of its 38 members, and on a vote for adjournment on June 2nd, which really constituted a test of his position, he obtained a majority of five—19 to 14.

The opinion of the Provincial press was very largely favourable to the party-line policy of the new Government, and was very kind in its expressions toward Mr. McBride. The Rossland *Miner*, of June 2nd, declared him to be "a man of fine character and possessed of parliamentary and administrative ability of a high order. Another qualification of the greatest importance is that he has earned the reputation of being an honest man." The Victoria *Times*, a Liberal organ, writing on June 1st, before the party announcement was made, thought that "all elements in the Opposition will heartily unite with Mr. McBride in the great work of restoring to British Columbia capable, honest, aggressive and responsible government." The Vancouver *World*, of the same date, while announcing its opposition to him on party lines, said that "personally the new Minister is immensely popular, and not without good cause, for he has many admirable traits that are characteristic of the typical Westerner, not the least of which is that of playing an open game consistently and well."

Some of the papers were decidedly outspoken in their comments. The Kaslo *Kootenaian*, on June 4th, declared that "British Columbia has been in her political life cursed with a horde of hoboes who are utterly inconstant and apparently without the remotest sense of responsibility." The Victoria *Colonist*, Conservative in views and a vigorous supporter of the Dunsmuir and Prior Governments, was dubious as to Mr. McBride during the first stage of his administration. On June 3rd it took the follow-

THE HON. RICHARD MCBRIDE, M.P.P.

Prime Minister of British Columbia. Sworn into Office on June 4th, 1903.

JAMES A. MACDONALD, M.P.P.

Elected Leader of the Liberal Party in British Columbia, October 19th, 1903.

The General Elections in British Columbia.

ing ground: "If Mr. McBride desires to show his loyalty he can do so by making clear to us all that he does not pose as a Leader, but merely as an expedient to facilitate an election upon party lines, and that he will leave it to the Conservative members elected to the next Legislature to choose the leader of the party." In an interesting interview with the Toronto *World* on July 4th Mr. Stuart Henderson, of Ashcroft, President of the British Columbia Provincial Liberal Association, gave a description of local conditions from his standpoint. He considered Mr. McBride's Cabinet to be made up of bright and capable men but as being representative of only one wing of the Conservative party. He described the Liberals as a united organization but did not speak of Mr. Martin in that connection. That gentleman and Mr. D. M Eberts he declared to be the ablest of the Provincial legislators since the days of the Turner Government. He expressed the hope that the days of unsettled government, unsettled conditions, empirical legislation and retroactive measures were now past and gone.

The General Elections in British Columbia

Preceding Mr. McBride's accession to power, there had been much talk of the necessity for an early dissolution of the Legislature, and very soon after that event it was announced that this would take place as soon as arrangements could be made and the electoral lists prepared. The House was prorogued on June 4th, after the appointment of a joint Committee of both parties had enabled the estimates and supplies to be rapidly disposed of. Dissolution followed almost immediately, and the date selected for the elections was October 31st. On September 5th, however, this was changed to October 3rd, and, in the *Colonist* of the following day, the Premier made an explanation of this unexpected action:

> At the closing of the House, after the defeat of the late Government, I promised that the election would be brought on as soon as practicable. When the date was first fixed it was thought that the 31st of October would be the earliest date practicable. However, it has been discovered to be possible to hold the elections much sooner. The voters' lists are now in order, there being practically no appeals to delay matters, and, therefore, no difficulty presents itself toward holding the elections on the date last chosen. We have been taunted with being a Government on sufferance and without any mandate from the electors, and we do not propose to be subject to the suspicion that we desire to hold office one day longer than the electors will sustain us in that position.
>
> Secondly, that the Government consider it necessary to have the endorsement of the electorate, and to submit to the House at as early a date as possible certain reforms that are deemed necessary to be immediately introduced in the best interests of the Province. Our policy is largely based upon the determination to thoroughly reorganize the fiscal system, and by that and other practical reforms to restore confidence in the financial and political administration of the Province.

Meanwhile, the political contest gradually grew warmer and warmer. Old personal associations were modified or changed in the interest of the new party organizations, and various alliances of the past were more or less thrown into the political melting-pot. Mr. McBride opened the campaign at New Westminster in a speech

declaring that his policy of "party lines" appeared to be the almost unanimous wish of the people of the Province. He promised that "an important part of our policy will be road and trail construction, followed out upon a comprehensive scale throughout the Province." At a Victoria meeting, on June 19th, he declared that the day had passed for the ruinous cry of Mainland against the Island. "As for myself and my colleagues," said the Premier, "we are of one Party. The day for individualism has gone by. The responsibility for the success or failure of the fight will rest, not upon the shoulders of the Government, but upon the Conservative organizations throughout the country." Speaking at Revelstoke, on July 9th, he denounced the late arrangement with the Canadian Northern Company, and declared that if the proposal had come into effect it would have involved "the whole northern portion of British Columbia being handed over to Mackenzie & Mann—timber, water and coal." In the preparation of the voters' lists he claimed that the Government's fairness had been fully recognized, and expressed the belief that the Conservatives would win by two to one. He was determined to challenge the inrush of the Japanese as well as the Chinese; to enforce Government regulation of rates in all railway arrangements; and to get better financial terms from the Federal authorities. During his tour of the Province the Premier was accompanied by the Hon. A. E. McPhillips, and they visited Dewdney, Chilliwack, Kamloops, Yale, Okanagan, Nelson, Rossland, Ymir, Greenwood, Phœnix, Grand Forks, Midway, Cranbrook and Fernie, as well as the points already mentioned. Upon his return he told the *Colonist* of July 23rd that victory seemed certain, and that the success of Mr. Roblin in Manitoba was going to be paralleled in British Columbia. The platform of the Conservative party in this contest was the one adopted at the Revelstoke Convention of September 13th, 1902, as follows:

1. That this Convention reaffirms the policy of the party in matters of Provincial roads and trails; the ownership and control of railways and the development of the agricultural resources of the Province; as laid down in the platform adopted in October, 1899, which was as follows: 'To actively aid in the construction of trails throughout the undeveloped portions of the Province and the building of Provincial trunk roads of public necessity. To adopt the principle of Government ownership of railways in so far as the circumstances of the Province will admit; and the adoption of the principle that no bonus should be granted to any railway company which does not give the Government of the Province control of rates over lines bonused, together with the option to purchase. To actively assist by State aid in the development of the agricultural resources of the Province.'

2. That in the meantime, and until the railway policy above set forth can be accomplished, a general Railway Act be passed, giving freedom to construct railways under certain approved regulations, analogous to the system that has resulted in such extensive railway construction in the United States with so much advantage to trade and commerce.

3. That to encourage the mining industry, the taxation of metalliferous mines should be on the basis of a percentage on the net profit.

4. That the Government ownership of telephones should be brought about as a first step in the acquisition of public utilities.

5. That a portion of every coal area hereafter to be disposed of should be reserved from sale or lease, so that State-owned mines may be easily accessible, if their operation becomes necessary or advisable.

6. That in the pulp-land leases provision should be made for re-foresting, and that steps should be taken for the general preservation of forests by guarding against the wasteful destruction of timber.

7. That the Legislature and Government of the Province should persevere in the effort to secure the exclusion of Asiatic labour.

8. That the matter of better terms in the way of subsidy and appropriations for the Province should be vigorously pressed upon the Dominion Government.

9. That the silver-lead industries of the Province be fostered and encouraged by the imposition of increased customs duties on lead and lead products imported into Canada, and that the Conservative members of the Dominion House be urged to support any motion introduced for such a purpose.

10. That as industrial disputes almost invariably result in great loss and injury both to the parties directly concerned and to the public, legislation should be passed to provide means for an amicable adjustment of such disputes between employers and employees.

11. That it is advisable to foster the manufacture of raw products of the Province within the Province, as far as practicable, by means of taxation on the said raw products subject to rebate of the same in whole or part when manufactured in British Columbia.

The Socialist party had a platform of their own commencing with the statement that "labour produces all wealth and to labour it should justly belong." In order to free the workingman from his slavery to the capitalist the wage system must be abolished and to this and other ends labour must take the reins of government away from capital. They urged, therefore, (1) the transformation of capitalistic property (factories, mills, railways, etc.) into "the collective property of the workingmen;" (2) thorough and democratic organization and management of industry by workers; (3) the gradual establishment of production for use and not for profit; (4) "the conduct of all public affairs in such a manner as to promote the interests of the working class alone." The Labour party policy as previously proclaimed in Convention on April 17th, 1902, included Government ownership of railways; the gradual shifting of taxes from land; Government establishment and operation of smelters and refineries; female suffrage; free, secular and compulsory education up to 16 years with free text-books, meals and clothing for the children; compulsory arbitration of labour disputes; absolute restriction of Oriental immigration and municipal control of the liquor traffic.

The Liberals fought the contest upon a platform prepared by the Executive of the British Columbia Liberal Association and issued as a Manifesto on September 4th, 1903. It was signed by Mr. Stuart Henderson, President and T. S. Baxter, Secretary and, after recapitulating the Resolutions passed by the Liberal Convention in Vancouver on February 6th, 1902,* proceeded to call attention to

* NOTE—See pages 84-86 of *The Canadian Annual Review*, 1902.

the fact that, in the past, political contests in the Province had been carried on between "aggregations, bound together rather by interest than by principle, by private arrangement rather than by public considerations." It declared that the Prior, Dunsmuir, Turner and preceding Governments had been, however, mainly Conservative and supported by Conservatives, so that the present McBride Ministry was the legitimate successor in tradition and policy of "that mischievous series of personal Governments which have made this Province, although the richest of any in natural resources, the least prosperous in the Dominion." Among the matters to which immediate attention was called in this document were the following:

1. Civil service reform by keeping down the number of employees to actual requirements; by making good conduct and efficiency the tenure of office; and by making fitness, not favouritism, to govern appointments.
2. Fiscal reform by keeping expenditure within revenue and borrowing money, if at all, only for works properly chargeable to capital; by a wise and provident administration of the natural resources of the Province so as to provide sufficient revenue, encourage industry, enable the repeal of obnoxious taxes and make possible a readjustment of the unpopular and injurious mining tax.
3. Reform in land administration by opposition to all land grants to railways or reservation of large tracts of land; by the establishment of free homesteads on agricultural lands through favourable conditions to settlers; and by the obtaining and making public of full and exact information as to all public lands fitted for settlement.
4. Aid to the Farming industry by placing the Agricultural Department of the Government upon a more efficient and practical basis; by reducing the burden now imposed upon the owners of dyked lands and legislating so as to make their lands more rapidly available for cultivation; by considering the question of utilizing the water supply in the "dry-belt" for irrigation purposes.
5. Organization of a system for the economical construction and maintenance of roads together with greater aid in this respect to some of the new districts.
6. Amendment of the Public Health Act so as to provide for sanitation and isolation in un-incorporated districts.
7. Exclusion of Oriental labour and insistence upon the right of the Province "to make such provisions as it shall see fit in all contracts, grants and leases under Provincial control."

During the month of active fighting which ensued Mr. McBride spoke in various parts of the Province assisted by the Hon. A. S. Goodeve, Sir Charles Hibbert Tupper and others. As election day approached each party expressed certainty as to the results and the general public felt anything but certainty and showed in many places an unexpected indifference to the new party issue.

On October 3rd the final battle was fought with at first very uncertain results. The Vancouver *Province* gave the Conservatives 22, the Liberals 18, the Socialists 2; the Victoria *Times* gave the Conservatives 17, the Liberals 18, the Socialists 2 and 5 doubtful. When, however, figures and places and facts had become adjusted it was found that the Conservative working majority was about four. There had been only one acclamation—Mr. W. C. Wells, who had stood as a Liberal in Columbia. Two Ministers were de-

feated—the Hon. A. E. McPhillips, in Victoria, together with his three running mates, Messrs. Hunter, Helmcken and Hayward, and the Hon. A. S. Goodeve, who was defeated in Rossland by Mr. J. A. Macdonald. Mr. Joseph Martin was beaten in Vancouver where he only received 1,546 votes. All five Conservatives were elected there. The elected members were as follows:

Constituency.	Name.	Politics.
Atlin	Dr. H. E. Young	Cons.
Alberni	Hon. W. W. B. McInnes	Lib.
Cranbrook	Dr. J. H. King	"
Cariboo	James Murphy	"
"	H. Jones	"
Chilliwack	C. W. Munro	"
Columbia	Hon. W. C. Wells	"
Comox	Mayor Grant	Cons.
Cowichan	J. N. Evans	Lib.
Delta	John Evans	"
Dewdney	Hon. R. McBride	Cons.
Esquimalt	Hon. C. E. Pooley	"
Fernie	W. R. Ross	"
Grand Forks	George A. Fraser	"
Greenwood	J. R. Brown	Lib.
The Island	T. W. Paterson	"
Kamloops	F. J. Fulton	Cons.
Kaslo	Hon. R. F. Green	"
Lillooet	A. McDonald	"
Nanaimo	J. H. Hawthornthwaite	Soc.
Nelson	John Houston	Cons.
Newcastle	Parker Williams	Soc.
New Westminster	T. Gifford	Cons.
Okanagan	Price Ellison	"
Revelstoke	T. Taylor	"
Richmond	Hon. F. L. Carter-Cotton	"
Rossland	J. A. Macdonald	Lib.
Saanich	H. Tanner	"
Similkimeen	L. W. Shatford	Cons.
Skeena	C. W. D. Clifford	"
Slocan	Wm. Davidson	Lab.
Vancouver	Hon. C. Wilson	Cons.
"	Hon. R. G. Tatlow	"
"	J. F. Garden	"
"	W. J. Bowser	"
"	A. H. B. Macgowan	"
Victoria	R. L. Drury	Lib.
"	W. G. Cameron	"
"	Richard Hall	"
"	J. D. McNiven	"
Yale	Stuart Henderson	"
Ymir	Harry Wright	Cons.

This makes a total of 22 Conservatives, 17 Liberals, 2 Socialists and 1 Labour Member. All kinds of rumours were current while the scattered returns were coming in and talk of a coalition, or Liberal hopes of a quick change in the Government, were especially marked. The first announcement of importance came from Mr. Martin. "I have quit" he told the Vancouver *Province* "retired for all time. I am disgusted with politics." Both that paper and the *World* wrote congratulatory articles regarding the news, and,

upon October 6th, Mr. Martin expressed surprise at this to the Victoria *Colonist*. He declared that he was abused when in politics and equally so when he wanted to get out of them. In future he would take his own course and please himself.

The press in general took the party line upon the net result. The Conservatives thought the majority small but sufficient; the Liberals considered it so weak as to be an incentive to effect the final and certain overthrow of the Government. There were some incidents in the campaign worthy of record. The Liberals went into and through it without a leader. This had the effect of making every prominent candidate a possibility for the position and the fact was apparently urged in various constituencies—some of those suggested being John Oliver, Joseph Martin, J. C. Brown, F. J. Deane, J. A. Macdonald, Stuart Henderson and W. W. B. McInnes. On Vancouver Island there was a strong feeling against the McBride Government as being dominated by Mainland influence and a partial result was the election of four Liberals in Victoria. In the Kootenays Sir C. H. Tupper had handled Socialism without gloves and one of the consequent incidents of the campaign was an attempt on October 1st to throw the special train in which he was travelling from Kaslo to Slocan off the track—at a point which would have involved destruction to all on board. A heavy timber had been laid across the track and only a combination of circumstances averted the accident.

After the contest was over the Fernie recount caused a good deal of political controversy but the seat eventually went to the Conservatives. Speaking to the Toronto *Globe* on October 20th, following, Mr. E. V. Bodwell, K.C., a prominent Liberal of Vancouver, summed up the situation as follows: "It was the best Assembly he thought, altogether apart from politics, which the Province had ever had. The Conservatives had a majority of two and probably would be enabled to increase it sufficiently to carry on a stable Government for the full length of the term. It was a stable Government that the Province wanted instead of the past series of crises." As to matters of policy, Mr. Bodwell said he was not in the confidence of the Government and could not speak, but he thought, from its composition, that the Government would not go any farther in certain kinds of labour legislation which had hitherto handicapped the Province.

The Liberal Leadership in British Columbia

Although Mr. Joseph Martin had held a sort of nominal leadership of the Liberal party until June 2nd, when he handed in his formal resignation, yet it may be said that the question of who should be its Leader was a live one during the whole of the year. The Liberals opposed to him in the Vancouver Association passed a Resolution on March 12th, asking the Provincial Executive to have a Convention called in order to settle the matter and this request was further endorsed at a meeting asked for and addressed by Mr. Martin on March 16th. It was upon this latter occasion,

that, in picturesque but not unusual language, he denounced his opponents and declared that he was going to be in the party "till the last of those dogs was hung."

It was rumoured on March 17th in a despatch from Ottawa that Mr. Ralph Smith, M.P., was likely to be selected and that he had the approval of Senator Templeman and other Ottawa leaders. Interviewed at Vancouver by the *World* on the following day Mr. J. H. Senkler declared that this would be a most acceptable choice to the whole party. It was certainly impossible to carry the Province under Mr. Martin. But he went on to point out that the Liberal Executive was made up largely of friends of the latter and it would, therefore, be in no hurry to call a Convention. Mr. Martin replied to this in characteristic manner and declared that the only way Mr. Ralph Smith could be chosen would be by fraud. The *Province* strongly supported the proposal and referred to Mr. Smith's high standing in both Liberal and Labour circles. On April 8th, however, the Victoria Liberal Association met and voted against the proposal to call a Convention.

Following these incidents came an interchange of letters between Messrs. Martin and Smith. On March 26th, Mr. Smith wrote to the former from Ottawa emphatically denying that he had in any way or at any time sought the party leadership and accusing Mr. Martin of having unscrupulously seized the position and held it against the wishes of the majority of its members. The reply went off on April 1st and asked Mr. Ralph Smith, as an independent Labour candidate in 1900, when he had become a Liberal and a judge of Liberalism in others and whether, by some occult process, the change was due to the dispensing of Government patronage? Meanwhile, Sir Wilfrid Laurier had, in reply to a Victoria correspondent, stated on March 31st that no one in Ottawa to his knowledge had any idea of interfering with British Columbia local politics. The stormy Session of the Legislature and Mr. Martin's retirement from the Leadership on June 2nd followed. The matter then lay in limbo until after the election with support given in a part of the press from time to time to Mr. W. W. B. McInnes, to Mr. John Oliver, to Mr. Stuart Henderson and to Mr. J. A. Macdonald. The last-mentioned received the favour of the *Province* on October 7th as "an exceptionally able and tactful leader." The *World* supported Mr. McInnes as having been responsible for a part of the electoral success on the Island.

On October 19th, a caucus of the Liberal members was held at Victoria for the election of a Leader. Only three names were proposed and the first ballot showed Mr. Macdonald, Mr. Henderson and Mr. McInnes as having five each. The second found Mr. McInnes with 6 votes, Mr. Macdonald with 5 and Mr. Henderson with 4. After an intermission balloting followed between Messrs. McInnes and Macdonald with a vote of 4 to the former and 11 to the latter. A ballot between Mr. Macdonald and Mr. Henderson then gave the former 10 and the latter 4. Mr. James Alexander

Macdonald became, therefore, the accredited Liberal Leader in the Province and a new and meteoric career in politics was marked with fresh distinction. Only 45 years of age, without political or Legislative experience but with a good legal reputation and personal popularity he accepted the difficult post. On the succeeding day the Vancouver *World* showed the influence of a party desire for unity by waiving its advocacy of Mr. McInnes and declaring that, even at the outset of his career, the new Leader had "demonstrated rare tact and force, coupled with personal magnetism."

The party press followed along this line and joined in promising loyalty to the new chief while the Conservative papers found little that was unpleasant to say of the selection. At Rossland on October 22nd Mr. Macdonald was given a rousing welcome by his constituents. In his speech he dealt with the weakness of the Government and the imminence of another general election—in which the Liberals would win easily. When the Legislature met at the close of the year the *Colonist,* on December 1st, described the new leadership as "contributing a satisfactory element to the composition of the House" and the Vancouver *News-Advertiser* of five days later paid Mr. Macdonald the following Conservative tribute: "In this connection—the sufficiently speedy and methodical despatch of public business—credit is due and should be given to Mr. Macdonald, the Leader of the Opposition, whose courteous bearing and fair methods of procedure have been very noticeable as have his evident disinclination to encourage anything savouring merely of obstruction."

After the Elections in British Columbia

Following the general elections and the settlement of the Liberal leadership came a re-organization of the McBride Government. The places of Messrs. McPhillips and Goodeve had to be filled and they were filled many times over—in the press. Rumours as to coalition were numerous in the Liberal papers and Messrs. C. W. Munro and W. C. Wells were amongst those said to have been approached. More probability existed in the discussion of the claims of Conservatives like C. E. Pooley, C. W. D. Clifford, T. Gifford, Price Ellison and John Houston. The last-mentioned, as President of the Provincial Conservative Association, had obvious claims which were opposed by objections of a personal character. Finally, on the resignation of the two Ministers, he was offered a position in the Government but on October 23rd was informed by the Premier that, on submitting his name to the Lieut.-Governor, His Honour had disapproved of it and that he could not press the matter further. Mr. Houston at once wrote to Sir Henri Joly asking if this was the truth, describing the action as "a slap in the face of the people of Nelson," and as making him ashamed to hold up his head in the street. The Lieut.-Governor replied on October 24th that it was quite true and had been a painful duty. "I objected on account of the unfortunate incident of last Session when you forgot what was due to the Legislative Assembly as well as to yourself in your responsible position."

The Liberal press promptly held the Premier to be constitutionally responsible for this action and Mr. Houston declared himself no longer a supporter of Mr. McBride although still a Conservative. His explanations to the people of Nelson were made at a mass-meeting on October 29th when a Resolution of confidence was carried almost unanimously. Mr. Joseph Martin followed this up with an open letter to the Lieut.-Governor, dated October 31st, vigorously denouncing his action as personally unjust and constitutionally dangerous. On November 5th the vacancies in the Cabinet were filled by making certain changes and bringing in Mr. F. J. Fulton, of North Yale. The Government was constituted then as follows:

Premier, Minister of Mines and Provincial Secretary	Hon. Richard McBride.
President of the Council	Hon. F. J. Fulton.
Attorney-General	Hon. Charles Wilson.
Chief Commissioner of Lands and Works	Hon. R. F. Green.
Minister of Finance	Hon. R. G. Tatlow.

The bye-election in Vancouver caused by the Hon. Mr. Wilson taking a Portfolio created some political activity. On November 11th the Liberals nominated Capt. J. Duff Stuart to oppose him at a meeting addressed by Mr. Martin and others. Various meetings were held and both the Premier and Mr. Macdonald, the Liberal Leader, spoke. There was, however, a general objection to reviving or increasing conditions of political unrest and the Attorney-General was re-elected on November 18th, by the unusual majority of 954. On November 26th, the new Legislature was opened by the Lieut.-Governor, not long after the Province had been brought to the point of serious temporary difficulty by long-standing debts and deficits coming to a head. All public works of a Government character had, in fact, been suspended on November 4th and the Cabinet had been compelled to inaugurate a *regime* of more than strict economy. The first business in the House was the unanimous election of Mr. C. E. Pooley as Speaker. In the Speech from the Throne His Honour appealed to the patriotism of the members to aid the Finance Minister in the special arrangements and legislation which had become imperative; intimated a request for authority to issue Treasury warrants over a short period of years and repayable by instalments and a further loan in London; suggested several sources of financial and taxable action and substantial economies in the Civil Service and in Public Works' expenditure; urged co-operation with the Dominion authorities in any feasible plan for the construction of an all-Canadian railway to the Yukon; hoped for a readjustment of financial relations with the Dominion and a settlement of questions relating to the control of Fisheries and alien immigration; and expressed pleasure at the proposed Grand Trunk Pacific line.

The Address was moved by Messrs. Harry Wright and W. R. Ross and passed without division on December 2nd after important

speeches from the Opposition Leader, the Premier, Mr. W. W. B. McInnes and the Attorney-General. Mr. Macdonald declared the Government unstable, their financial proposals unwise in certain directions, the retention of the mining tax as opposed to their pledges and to the interests of the country, and generally expressed himself as having no confidence in the administration of affairs. The Hon. Mr. McBride intimated that the Government's plan of taxation included a readjustment of the much criticized mining tax. But some burden this industry must bear and he appealed to the Opposition Leader to help in the solution of the problem. He described the New Westminster Bridge as one of the chief elements in their present financial difficulties but one which in the end would give Vancouver and the Fraser Valley a competitive system to the Canadian Pacific Railway. His Government were pressing upon the Ottawa authorities the desirability of building a part of the Grand Trunk Pacific from the Pacific coast so as to give the Province some benefit from the expenditures thereon.

On December 3rd, the Hon. Mr. Tatlow moved the 2nd reading of his measure authorizing a Loan of $1,000,000 at 5 per cent. and extending over ten years for its repayment. It was carried by six majority—the two Socialists and the Labour member voting with the Government. A measure for the taxation of railways also went through this stage. Legislation followed in the next few days taxing leases of coal mines, increasing the tax on wild lands, raising the income tax, taxing corporations of various kinds, raising the poll-tax from $3.00 to $5.00 per head, doubling the prospector's mining license fees, taxing personal property and taxing timber cut on other than Crown Lands. After a Session of keen devotion to business and much financial discussion—conducted in an unusually dignified and serious manner—the Legislature adjourned on December 12th when His Honour gave assent to the measures suggested two weeks before at the opening of the House.

The Columbia and Western Railway Investigation

By an Act of the Provincial Legislature, approved on April 17th, 1896, a land subsidy was provided for the building of the Columbia and Western Railway—running from the Kootenay District westward to Midway and built by a Company subsidiary to the Canadian Pacific Railway. The lands reserved and earned were in alternate blocks on either side of and contiguous to the Railway. In case they did not furnish the total of 20,000 acres per mile of railway granted under the Act the Government and the Company were empowered to arrange for "deficiency blocks" elsewhere. Ultimately, these were selected in the south-east corner of the Province, at a considerable distance from the Railway, were numbered Lots 4,593 and 4,594 (about 625,370 acres) in the list of grants, and were set aside by an Order-in-Council passed September 4th, 1901.

The Canadian Pacific Railway, as the actual owner of the Columbia and Western was naturally anxious to get possession of these blocks which were said to be full of valuable minerals; the

politicians were brought into the matter through the unpopularity of any system of land grants in the Province; the Crow's Nest Coal Company were concerned through a prior claim for 10,000 acres; the Provincial Government were anxious to have the Canadian Pacific Railway extend the Columbia and Western from Midway to Penticton. There followed varied delays and complications and, finally, the Hon. Mr. Wells made a trip to Montreal to deliver, or as he put it, to "negotiate for the delivery" of the already executed land grants. He did deliver other grants about which there was no question but, whatever the details in the matter may have been, he unquestionably brought back those dealing with Blocks 4,593 and 4,594. On March 18th, 1902, an Order-in-Council was passed "rescinding and cancelling" these grants and in May, 1903, a measure passed the Legislature, was approved by the Lieut.-Governor, and became law, which confirmed this cancellation.

The question became a burning one shortly after Mr. John Oliver obtained the appointment of his Select Committee on April 7th of the latter year and, before its Report was finally submitted on May 27th, charges of various kinds had been bandied about. It was alleged that Mr. Wells had been "approached" by W. J. Taylor, K.C., on behalf of the Canadian Pacific Railway; that the Hon. Mr. Eberts was connected with the matter through Mr. Taylor being his law partner; that Mr. Dunsmuir, when Premier, had ordered the cancelling of the grants because he would have no "monkey business" while he was in office; that various politicians were associated at different stages in an attempt to get possession of great blocks of rich land. In the end the investigation caused the retirement of the two Ministers involved and practically brought about the fall of the Prior Government. The investigation included the testimony of many prominent witnesses and its proceedings constituted a bulky volume, which must be consulted in order to obtain any detailed view of the affair. Amongst those examined by the Committee were the Hon. Messrs. W. C. Wells, D. M. Eberts, J. Dunsmuir, J. D. Prentice, W. W. B. McInnes, J. Martin and E. G. Prior; Sir T. G. Shaughnessy, George McLaren Brown and A. R. Creelman, K.C., and H. C. Oswald, of the Canadian Pacific Railway; Mr. W. J. Taylor, K.C., Mr. Richard McBride, M.P.P., Mr. Smith Curtis, M.P.P., Mr. J. Oliver, M.P.P., and Mr. R. E. Gosnell. At the close of the proceedings so far as evidence was concerned the case was elaborately reviewed by Mr. C. C. McCaul, K.C., for what may be termed the defence and by Mr. L. P. Duff, K.C., for the prosecution. The findings of the Committee, signed by Mr. C. W. D. Clifford as Chairman and dated May 27th, were as follows:

1. The Committee find that the Order-in-Council of the 10th day of August, 1901, authorizing the conveying of Blocks 4,593 and 4,594 to the Columbia and Western Railway Company, was not in the public interest.

2. We find that within the original Columbia and Western reserve, there remained, after deducting the alternate blocks appropriated for the

construction of the first section and two pieces of land appropriated for the deficiency lands to which the Company were entitled for the construction of that section, an area of land amounting to 2,600,000 acres. We also find that within the said reserve there was ample land available to satisfy all that the Company was entitled to receive for the construction of the third section, which reserve had remained set apart for the purposes of the Company for a period of five years.

3. We find that the Order-in-Council directing the issue of grants for Blocks 4,593 and 4,594 was fettered by no conditions whatever, and that under the Order-in-Council, assuming that the settlement had not violated the conditions of the Subsidy Act, the Company would have been forthwith entitled to a delivery of the grants.

4. We find that questions pertinent to the matter we had to inquire into were asked throughout the Session of 1902, as would appear by the Journals of the House, and the Government permitted answers thereto to be given that were not in accordance with the real facts.

5. We find that on the 5th day of May, 1902, a return, purporting to be a return of the Order-in-Council relating to the granting of Blocks 4,593 and 4,594, and of all correspondence, etc., connected therewith, failed to refer to a number of letters that passed between the Executive of the Canadian Pacific Railway and the Honourable, the Chief Commissioner of Lands and Works, which although marked "personal" were clearly official letters, dealing with official business; and also failed to return a letter of the 8th day of November, 1901, from the Deputy Commissioner of Lands and Works to the Government Agent at Fort Steel, showing that Blocks 4,593 and 4,594 were granted to the Railway Company.

6. We find that if Bill No. 87 had become law the Columbia and Western Railway Company would have power conferred on them to claim Blocks 4,593 and 4,594.

7. The Committee have no difficulty in finding that the rescinding Order-in-Council of the 18th day of March, 1902, and Bill No. 16 were steps taken in the public interest as, unquestionably, the said lands, being Blocks 4,593 and 4,594 were not, and never could have been considered to have been, within purview of the Columbia and Western Railway Subsidy Act, 1896, and it is unreasonable to assume that the Railway Company, advised at all time by eminent counsel, were not aware that such lands were without the purview of the Statute. That being the fact, no matter what other cause moved the Government in the matter, the rescinding Order-in-Council was right and proper, as was also the legislation that followed—all being in the matter in this way, we cannot see what ground of complaint is open to the Railway Company.

British Columbia Delegations to Ottawa

A Delegation from the Prior Government and another representing the McBride Government waited upon the Dominion authorities during 1903. On January 23rd, Colonel the Hon. E. G. Prior and the Attorney-General, Hon. D. M. Eberts, K.C., arrived in Ottawa, and three days later the Provincial Premier briefly laid the preliminaries of his case before the Dominion Cabinet. He commenced by stating that some of the issues for consideration were not dissimilar to those presented in 1901 by Mr. Premier Dunsmuir,* but that others had since then been settled or adjusted by passage of time. The matters to which he now wished to call attention were: (1) Readjustment of the financial relations of the Province and the Dominion. (2) The question of Fisheries in British Columbia. (3) The regulation of Mongolian immigration.

* See the *Annual Register of Canadian Affairs* for 1901, compiled by J. Castell Hopkins.

(4) The right of the Province to a greater share of revenues accruing under the Chinese Immigration Act. (5) Readjustment of some of the Indian Reserve boundaries in British Columbia. (6) The right of the Province to foreshores and the minerals under the same. (7) The minerals under Indian Reserves. (8) The salaries of Judges. (9) The co-operation of the two Governments in respect to Railway construction.

On January 28th, Sir Wilfrid Laurier expressed the views of his Government upon two or three of these subjects. He pointed out that the Japanese Government had already of its own volition practically prohibited Japanese emigration, and declared that legislation by the Province in this connection would be gratuitously insulting to a friendly Power. No anti-Chinese legislation by British Columbia would in future be disallowed, but his Government would discountenance any discrimination so far as the Japanese were concerned. As to the refund of the Chinese head-tax to the Province he observed that a Dominion Act had passed in 1902 providing for an Order-in-Council refunding 50 per cent. after July 1st of that year.

Colonel Prior urged that this Act be at once put in force, and asked for legislation amending it so as to give British Columbia 75 per cent., and to apply to the whole period during which the Chinese Immigration Act had been in force. On February 4th another interview with Sir Wilfrid Laurier was had, and an elaborate statement presented by the Provincial Premier dealing with the financial question. In this document he claimed that since British Columbia came into the Union in 1871, circumstances had established a moral right and a sound constitutional claim for some increased financial allowance to the Province by the Federal authorities. After recapitulating various reasons for considering the Act of Union a subject of modification at the hands of Parliament, Colonel Prior mentioned the following special circumstances upon which he based his claim:

1. The heavy cost of administration caused by the physical character of the country.
2. The distance from the commercial, industrial and administrative centres of Eastern Canada.
3. The non-industrial character of the Province, whereby a larger percentage of goods is imported and consumed than in Eastern Canada, thus increasing the Provincial contribution to the Federal treasury in the way of taxes, in a ratio of three to one.
4. The disadvantage of the Province in relation to the markets for its special products.

He went on to point out that the Province had expended $13,000,000 upon the building of 11,000 miles of roads and trails; that some 65 miles were under construction, at a cost ranging from $1,000 to $4,544 a mile; that the total cost of Provincial Administration was $11.62 per head, as compared with $4.00 in Manitoba, $1.85 in Ontario, $2.70 in Quebec, $2.40 in New Brunswick, $2.04

in Nova Scotia, and $3.00 in Prince Edward Island; that as between Ontario and British Columbia the cost for all Governmental purposes, and including Provincial, municipal, customs and excise taxation was respectively, $15.13 and $30.35 per head; that the heavy demands for pioneer settlement, development and transportation, which had long since been disposed of in the older Provinces, were pressing more and more heavily upon British Columbia; and yet that in the past ten years the Provincial contribution by taxation to Federal revenues had been $26,000,000, and the Federal expenditure in the Province only $11,500,000. The conclusion of his statement was as follows:

> There are many ways in which we think it would pay the Dominion—we don't ask it as a favour to the West—to pay more attention to the resources and possibilities of the country on the Pacific coast. In the past every step in that direction has sent the revenues up by bounds, and this in future is still more possible, by instituting a policy of increased railway development, encouragement of shipbuilding, assistance to the iron and steel industry, ameliorating the conditions of the lead and silver mining, and, what is very important, the exploitation of markets on the Pacific Ocean to which the products of British Columbia would be directly tributable. The Government of British Columbia, on its own account, has been making investigations in the direction of extending trade in its special products, and finds that in fish and fish products, iron and steel and their manufactures, paper and pulp, and timber and lumber, there are possible openings of great value, and that the resources of the coast of British Columbia, with available facilities for cheap ocean transportation, upon which the whole fabric largely depends, are such that, without entering into competition at all with the products of Eastern Canada, a magnificent trade could in time be built up on the West Coast and industries of great magnitude established. This would be of inestimable value to the Dominion, and repay a hundredfold the energies and expenditure involved in bringing it about.

Following this came interviews with the Hon. Mr. Prefontaine, the Hon. Mr. Sifton and others. Meanwhile, Colonel Prior and Mr. Eberts had joined, by previous arrangement, the representatives of the other Provinces in presenting to the Dominion Government (January 27th) the Resolutions of the Intercolonial Conference held at Quebec a couple of months before and which the British Columbia Premier had been unable to attend. The Provincial Ministers reached Victoria again on February 15th, accompanied by Mr. R. E. Gosnell, the Provincial Statistician and Private Secretary to the Premier, whose services in such missions as this were always much in request. On April 30th, the Premier presented a Report of his mission to the Legislature. There was little difference of opinion as to the ground thus taken and the arguments advanced, though there was some expressed as to the usefulness of the trip to Ottawa. Referring to the general situation the *Colonist* of May 1st declared that at Confederation "we accepted terms which we doubted were unfair; now we ask for justice; but a time will come when we can exact such conditions as we please."

On July 1st, as one result of the political change, the Hon. Charles Wilson, K.C., M.P.P., and the Hon. R. F. Green, Minister of Mines, accompanied, as Secretary, by Mr. R. E. Gosnell, left for

Ottawa to discuss certain matters with the Dominion authorities. In an interview appearing in the *Colonist* of next day the Premier (Mr. McBride) stated that the object of the mission was to discuss the anti-alien immigration legislation of the Session—being practically re-enactments of legislation previously disallowed at Ottawa. The Ministers would be able to point out that the attempt of the Japanese Government to limit Japanese emigration had proven futile and that the Reports of the Provincial Inspector indicated an increase rather than the reverse. The Government intended, continued Mr. McBride, to take very strong ground on this question. The silver-lead situation and its desperate need of protection together with the old question of better financial terms and certain other subjects were to be discussed. The Delegation was in Ottawa on July 18th, met some of the Ministers and discussed matters with the members from British Columbia. The general results of the mission were not made public but its object was said by the Opposition press to be the obtaining of financial aid in the undoubted difficulties which the Government were then in. If so, and in that connection, it did not prove successful.

The Oriental Immigration Question

The problem of Chinese and Japanese immigration was in the main a British Columbia question in 1903, as in previous years, although a great many of the former race had filtered through the mountains of the West and passed into the shifting part of the population of Montreal and Toronto. In British Columbia the matter remained complicated by the Ottawa veto of any Provincial legislation which sought to exclude the Japanese. Upon this point Mr. Joseph Martin, K.C., addressed the New Westminster Liberal Club on January 28th. He admitted the disallowance power of the Dominion authorities but pointed to various illustrations of its abuse and claimed that this particular veto was an instance. It was not done at the request of the Imperial authorities as similar Acts had been passed in Australia and Natal and accepted by them. It was not alleged as a reason that the Provincial Acts were *ultra vires;* if so the Courts would be the place to test them. "The Dominion Government had, by disallowing the Acts, prevented their being tested in the Courts and left the Province no redress but to re-enact them." At Nanaimo, on February 10th, Mr. Ralph Smith, M.P., intimated that the matter was on the verge of settlement. He believed the Dominion tax on Chinese immigrants would be raised.

To the press at Ottawa on March 1st, Senator Templeman declared that in British Columbia "the feeling is, perhaps, more general against the Chinese than the Japanese, but Labour men are absolutely and unanimously opposed to both." He expressed himself in favour of a $500 poll-tax on Chinese. "We have a sufficient number of Chinese already in the country to meet the demand for domestic servants and general labour for ten years to come. There are at present quite a number of idle Chinese in the cities so that the

objection which might be raised to restriction on the score of diminishing the labour supply would have no weight." On March 27th Sir Wilfrid Laurier presented his legislation on this question to the House of Commons. It imposed a tax of $500 on every person of Chinese origin entering Canada and made liable for the payment of this tax the person in charge of the vessel or vehicle introducing such immigrant. The Premier claimed that the problem had been solved so far as the Japanese were concerned by the action of the Government of Japan in forbidding general emigration to Canada; intimated that British Columbia legislation would continue to be disallowed so long as it included the Japanese and the Chinese together; and stated that the Dominion and not the Imperial Government had taken the initiative in the disallowance of these Provincial measures. The measure was to come into force on January 1st, 1904. It duly passed both Houses though opposed in the Senate by Sir Mackenzie Bowell and others. The former presented petitions from Victoria, B.C., signed by some 300 residents, protesting against the legislation on the ground of the value of the Chinese as domestic servants, the orderliness of their conduct and the increased cost of general labour.

In the British Columbia Legislature the Act practically prohibiting Chinese and Japanese immigration was re-enacted during the Session, in April, as were the measures preventing Oriental immigrants from obtaining employment on various public and private works. They were supported by politicians of all shades of opinion—with the exception of Mr. James Dunsmuir. At the meeting of the Bay of Quinte Methodist Conference in Ontario on June 10th, another side of the question was illustrated by a protest in the name of liberty, and for the cause of missions in China, against this exclusion policy: "Resolved that the members of this Conference, while we recognize the difficulties of the Government in dealing with a class of immigrants who do not propose to become citizens, desire to enter our most solemn and earnest protest against the policy of placing a tax of $500 on every Chinaman entering our country, and would hope and pray that our Government may devise some other plan to settle the Immigration question on terms equitable to all nations."

A strong argument for the Chinese was made by Major C. T. Dupont, of Victoria, B.C., in the Toronto *Telegram* of June 15th. It was the Labour vote of his Province and not the people at large who sought this prohibitive legislation and he denounced the politicians for always and impudently catering to that element in British Columbia. He contended that the Chinese had contributed immensely to the growth and wealth of the Province; that their work had built the Canadian Pacific Railway and thus made accessible the mines and forests of the country; that they had enabled the canning of fish to be carried on upon a large scale; that without them much dyked and cleared land would have remained unprofitable and uncultivated; that they had provided unskilled

but absolutely essential labour for the lumber mills and in the mines; that they had proved faithful and efficient domestic servants in a country where otherwise the women would have had to do all the housework. "It will be an evil day for British Columbia if this proposed poll-tax of $500 is imposed on the Chinese." In the British Columbia Legislature on December 11th, a Select Committee composed of Messrs. W. J. Bowser, K.C., G. A. Fraser, W. Davidson, Stuart Henderson, and R. L. Drury was appointed to inquire into the working of the Immigration Act of 1903 with power to examine witnesses under oath and report the evidence to the House.

The Treadgold Commission in the Yukon

By Orders-in-Council of the Dominion Government, dated June 12th, 1901, June 29th, 1901, and 7th December, 1901, certain privileges in the Yukon Territory were granted to Messrs. Malcolm H. Orr-Ewing, of Malvern, England, A. N. C. Treadgold, of London, England, and Walter Barwick, K.C., of Toronto. As a result of representations made to the Minister of the Interior, on April 17th, 1902, by Mr. James H. Ross, then Commissioner of the Yukon, these powers, rights and privileges were amended by the repealing of the Orders-in-Council above mentioned, and the substitution of one dated April 21st, 1902. This voluminous grant gave the persons named the sole right "to divert and take water from the Klondike River at any point or points between its entry into the Yukon River and Flat Creek, for the purpose of generating power with which to pump water to work the auriferous deposits in the district comprising the beds, banks, valleys, slopes and hills of the Klondike River, of Bonanza, Bear and Hunter Creeks, and of their tributaries." This was the main concession. Others connected with it may be briefly summarized:

1. The prior right to take water from the Klondike River up to 5,000 miners' inches.
2. The right to divert and use the water of Rock Creek subject to certain existing rights and water regulations of the Territory.
3. The right in the region above described to construct and maintain dams, cribs, intakes, flumes and any other works necessary for the generation of power and the diversion, distribution and use of water.
4. The right of entry upon any way through any lands and mining ground for the purpose of such construction and maintenance and for the purpose of laying such ditches, pipe-lines, dams, etc., as might be necessary.
5. The right to purchase Crown Lands required for these works at a price not exceeding $10 per acre—saving and reserving timber, mines, and minerals upon such lands.
6. The right to build, maintain and operate throughout the District in question pumping stations, electrical works and reservoirs.
7. The right of entry upon any way through any lands and mining ground within the Indian River District for the purpose of constructing and maintaining overhead or underground wires and any other structures required in the transmission of electricity "for any purpose whatsoever"—subject, as in Clauses 3 and 4, to the placing of gravel in a separate dump for the use of the mine owners.
8. The right, subject to defined regulations, to distribute and dispose of by

sale or otherwise the water delivered by the grantees within the District, such water to remain at all times and places the property of the grantees.

9. The right, subject to no payment except the royalty prescribed upon output, to make entry for and work any abandoned mining claim or claims on Bonanza, Bear and Hunter Creeks ; such right to be exercisable only when the grantees by the construction of works in pursuance of this franchise are in a position to deliver water upon such claim or claims for the working thereof.

10. The prior right of entry and purchase of any locations in which mineral-bearing lodes or deposits are discovered through the operations of the grantees upon their owned or leased lands.

11. The right to take from specified Crown Lands, subject to the ordinary dues, all timber and material needed in the construction and operation of the proposed works.

12. Exemption from all rentals, assessments, or dues other than Customs duties, timber dues, school taxes and the gold royalty. The right to assign to others any of those rights or powers.

There were some provisions of a precautionary character in connection with these powers. The sole right to divert and take water from the Klondike River was conditional upon its exercise within six years, and it was provided that any power developed and rendered available but not used by the grantees during this period was to be offered for sale to the public. It was provided that license holders of mining locations within the district covered by these regulations "shall be entitled as against the grantees to the use of a flow of water, sufficient for working their claims but not exceeding in all 3,500 miners' inches, equal to 5,250 cubic feet per minute," and that in the event of the grantees interfering in any way with the flow of the Klondike River so as to prevent the passage of saw-logs or other timber down the stream, they were to provide slides and facilities free of charge to holders of timber berths under Dominion license. The rights conferred upon the grantees were for 30 years, and at the end of that period were to terminate, with the exception of their ownership in works and structures built by them, or in lands, rights or leasements which they might have purchased or acquired as private property.

In the regulations affecting these grants the grantees were (1) to allow all free miners within the district indicated to tail their sluices, hydraulics, drains, etc., free of charge into the flumes and drains of the grantees though with all due precautions as to operation of their works ; (2) to compensate the owners of mining claims or lands for any injury sustained by the breaking or imperfect construction of any of the grantees' works ; (3) to yield up to owners upon whose claims works were to be constructed any gold obtained during such operations. It was also provided that all questions of compensation arising under this grant should be determined by the Gold Commissioner, subject to appeal to the Territorial Court.

The granting of these privileges and powers created discussion throughout Canada and produced certain evidences of dissatisfaction in the Yukon itself. On April 16th, 1903, a Petition was presented to the Federal authorities, signed by a number of Yukon

residents, which declared that the benefits conferred upon the grantees in this connection "are of incalculable value and involve an enormous exploitation of the resources of the Territory for the benefit of a few favoured concessionaires." The document proceeded to claim that this monopoly would paralyse the independent commercial and industrial life of their community; would reduce the miners in a large district to a condition of practical servitude; and was opposed to the one great requirement of the Yukon—a cheap, abundant and effective water supply. The Petition concluded by asking for the complete cancellation of the grant and that the supply and distribution of water for general mining purposes be either carried on as a Dominion public work or under the direction of the Yukon Commissioner-in-Council.

On May 19th, the Dawson City Board of Trade discussed the question at a meeting presided over by Mr. H. C. Macaulay. Lengthy Resolutions were passed declaring (1) that freedom from concessions given to men who did nothing to deserve them, or who perhaps obtained them by fraud or misrepresentation, was essential to the prosperity of the Klondike region; (2) that despite protests the Dominion Government were persisting "in a policy of closing said region to the placer miner and granting the same large tracts in concessions most detrimental to the prosperity of the Klondike;" (3) that the people of the Territory had voted at the Parliamentary election for a repeal of the Treadgold Concession; (4) that in March a Petition of the Board of Trade (as above) asking for this cancellation had been supported by the elective members of the Yukon Council and by the Liberal Association of Dawson City; (5) that Commissions of Inquiry into Yukon matters had not previously been of much service on account of the limitations placed upon their scope and powers; that therefore the proposed Commission at the present time should have power to inquire "into all so-called hydraulic concessions and all Government abuses" in the Territory as well as into the Treadgold matter; and that the member for the Yukon—Mr. James H. Ross, M.P.—should be appointed a member of such Commission.

The Board of Trade also issued a pamphlet giving a history of the question and fully explaining the grounds of its protest and its belief that the population was being slowly "driven from the wealthiest region of Canada in order to create a great monopoly." On May 12th, the House of Commons discussed the question at length upon a motion by Mr. T. Chase Casgrain. In his speech he reviewed the question from the Opposition standpoint and, incidentally, quoted the statement of the Dawson *Sun* of February 14th, 1902, that the grant involved 350 square miles or 225,000 square acres; an earning power of $10,000,000 in three years; a loss of revenue to the Government and of business to the merchants; and a considerable shrinkage in local securities and values. He claimed that the grant was illegal as well as injurious to the people of the Yukon and thought that the Government could hardly have realized the enormity of the concessions involved.

Sir William Mulock, in replying, first pointed to the election of Mr. Ross as an evidence that the people could not be so greatly dissatisfied with this legislation. He then stated that when it was found necessary to aid in the distribution and supply of water in this region the Government naturally concluded that a Company operating upon a large scale would be the best medium. They had aimed to place the enterprise in the hands of men of financial strength and general ability and he believed they had succeeded. He charged the previous speaker and the quoted newspaper with exaggeration: "Though there is a grant of power to erect a dam upon the river to take water and generate power, and because that gives these concessionaires the right to sell that power throughout that District, by what process of reasoning does he say that the whole District with all its wealth is handed over as a grant to these concessionaires? He claimed that the changes in the Orders-in-Council had eliminated the objectionable features and, in any case, the grantees could not exercise the right given them until the Orders-in-Council were gazetted—which had not yet been done. They were reserved until the concessionaires could show that they were able to raise the necessary funds.

Mr. R. A. Pringle followed at length in a criticism of the Government's action and the Hon. A. G. Blair in defence. The latter expressed the following opinion: "What the mining men want is to have the Government spend out there some $5,000,000 or $10,000,000 in order to construct hydraulic works. They know they cannot perpetuate the Yukon as a gold-bearing country unless works of this kind are established, and they want the Government to construct them out of the exchequer of the country, because they think, no doubt, that they would then enjoy greater advantages than if these works were done by a Company. That is why we are hearing complaints to-day."

The Prime Minister in his speech devoted himself largely to explaining why the Concession was originally granted. The demand for aid in connection with the water supply was obvious but the Government had not been and were not willing to expend from $2,000,000 to $5,000,000 in providing what the miners' wanted. In order to meet the situation they had made the Treadgold Concessions. He believed that the amendments since added should have rendered the arrangement acceptable to the people concerned, but in any case the Government would investigate it still more closely before putting the Order-in-Council into operation. Mr. Borden and other speakers took part in the debate and finally the motion which follows was rejected on a party division: "This House is of opinion that the said powers, franchises and concessions constitute in favour of said Treadgold and his associates a gigantic monopoly which, while depriving the Treasury of enormous revenue is most detrimental to mining interests in the Yukon, and that in making said grants and concessions by Order-in-Council, the Government have exceeded their authority and have com-

mitted a gross breach of the duties entrusted to them under the constitution."

On May 27th, it was announced that Mr. Justice Byron M. Britton of the Ontario High Court had been appointed a Commissioner to investigate the whole question of mining operations and leases in the Yukon Territory. It was expected that Mr. J. R. Hardman, M.E., of Montreal, would be associated with him but he declined the appointment as did Chief Justice Killam of Manitoba and, on July 24th, it was stated from Ottawa that Mr. B. T. A. Bell, Secretary of the Mining Institute and Editor of the *Canadian Mining Review* had accepted the position. There was much Conservative objection to Judge Britton's appointment on the ground (1) of his having not long ago been a Liberal member of Parliament and defender of Yukon conditions on the floor of the House; (2) because the administration of justice in Ontario would suffer by his absence; (3) because Judges should not, it was claimed, accept any appointment touching political issues.

The matter was discussed in the House of Commons on June 2nd when Messrs. Chase Casgrain, F. D. Monk and R. L. Borden criticized the Government for making the appointment. Mr. Justice Britton had been an estimable member of the House and was no doubt, the speakers said, upright, and honest; but he came almost fresh from the hot-bed of politics and they deprecated his judgment in a case where his past interests were so vitally involved. Sir Wilfrid Laurier defended the selection strongly. In his opinion the new Commissioner was one of the best members of the Ontario Bench. A man might have political leanings and yet be afterwards an upright Judge. Mr. Justice Britton had had large experience in his own Province as a drainage Commissioner and knew something, therefore, of hydraulics and of the questions which had to be investigated.

The Prime Minister laid before the House on June 8th, following, the Report of the Minister of Justice to Council upon the subject and the corresponding Order-in-Council appointing Commissioners to investigate certain conditions in the Yukon—with power to take evidence under oath and with instructions to report to Parliament. The Report stated that various representations had been made to the Government as to mining resources and progress and the need of water supply in the Yukon; that the Government's action in granting powers and concessions to the Treadgold Syndicate had been objected to as constituting a hurtful monopoly; that it was, therefore, desirable to make full inquiry as to the benefit or the reverse of such a concession to the Yukon Territory and to extend the inquiry to all similar grants or concessions; that "the Commissioners, making the inquiry, should investigate generally all facts and circumstances which may afford information to Government, or to Parliament, respecting the hydraulic or other means which it is desirable should be adopted to develop the benches, banks and other elevated grounds which can only be

worked at very great disadvantages under natural conditions, or are not able to be profitably worked at all without an artificial supply of water."

These instructions to the Commissioners—as they really were—came up in the House of Commons for consideration three days later when Mr. Chase Casgrain declared the proposed inquiry under such conditions a farce; claimed that the Order-in-Council was so worded as to make the investigation cover merely the matter of the hydraulic system or other methods of scientific mining; repeated the Resolutions and demands from the Yukon for a full inquiry into political mal-administration in connection with the Treadgold and other affairs; objected to any Royal Commission in such a case as this and moved a long Resolution of which the following is the conclusion:

> And this House is of the opinion that a Special Committee of this House should be appointed with all necessary powers to make full and complete investigation not only into the providence or improvidence of the terms and conditions of the several hereinbefore mentioned concessions; but also into all the circumstances relating to or connected with the granting or procurement of the same and of all alterations therein; all negotiations and transactions between the Government or any member or officer thereof and the said concessionaires, or any person on their behalf with respect thereto or with respect to any alteration therein; the names of the persons directly or indirectly interested from time to time in the said concessions; the nature of their respective interests and the circumstances under which such interests were acquired.

Sir William Mulock in his reply claimed that the instructions fully met the Opposition wishes as recorded in their motion of May 12th last and were even more extensive; declared that it was a cowardly action to make insinuations in Parliament without naming the person charged; and concluded by intimating that if any enlarged and properly specified scope were desired for the inquiry it would be given. Messrs. Monk and Borden reiterated the belief that there had been corruption somewhere in the granting of concessions but did not specify particulars. The Hon. Mr. Blair in his reply pointed out "how easy it is in a country like the Yukon, filled with all sorts of people, adventurers from all countries in the world, to create excitement of any kind." Hence the exaggerated statements and hasty conclusions that there had been fraud and misrepresentation somewhere.

Mr. Tarte, Mr. W. B. Northrup, the Hon. Mr. Fitzpatrick spoke and then the Prime Minister asked why no member of the Opposition would take personal responsibility for these wholesale charges and insinuations of fraud and misrepresentation. If investigated what basis was there to go upon; what witnesses were there to call. "If a man is accused he has a right to know who are his accusers and what is the accusation against him." The Resolution was then voted upon and lost by 87 to 40. On September 11th, following, Mr. Monk drew attention to the proceedings of the Commission which was then at work in the Yukon, quoted news-

paper comments in that connection and urged a widening of the scope of inquiry so as to meet and allay the existing dissatisfaction amongst miners in the Territory.

The Premier replied by deprecating the use and acceptance of "the scurrilous articles of certain newspapers" and declared that he could not find fault with Judge Britton in declining to admit matters which had nothing to do with the investigation. He pointed out that Mr. Treadgold had been given the very highest endorsement by Lord Strathcona and claimed that his Company was one of the most respectable and responsible ever organized in Canada. Meanwhile, the Commission had held weeks of continuous sittings in Dawson City, and in September concluded its work there. No Report was presented up to the close of the year. Speaking to the Victoria *Colonist* of September 25th, on his way home, Mr. B. T. A. Bell stated that 180 witnesses had been examined and over 200 exhibits filed with the Commissioners. As to the charges against the Commission of withholding official documents and of a leaning towards the concessionaires he characterized them as utter nonsense and proceeded as follows:

> The question was a complicated one and had both good and bad points. If the Commission erred at all it was on the side of leniency. Many people thought that its work was to inquire into an act of the Minister of the Interior and hear charges against the Department, but they had formed an incorrect idea of its duties. It was strictly limited in its field of inquiry; its work was to take evidence upon and inquire into the beneficial effect or injurious influence of the concessions upon the mining industry; and whether the concessions were obtained by fraud or misrepresentation. In taking evidence, and in every way, Mr. Justice Britton, as Chairman, allowed every latitude possible, and the 'kicks' made were not worthy of the least notice. When the Commission arrived at Dawson it found that instead of being there to hold a commission, it was practically to try a case. The Board of Trade and others interested had engaged lawyers and the thing evolved into a legal battle. Some people tried to use the Commission for political and some for litigious purposes.

Shortly after this a lengthy and elaborate Petition signed by Mr. Joseph A. Clarke, the Opposition candidate in the Yukon during the Federal election of 1902, Dr. William Catto and Graham Campbell, a miner, was forwarded to the Governor-General and members of the House of Commons. It stated that a meeting of citizens in Dawson had protested against the restrictions upon inquiry; that the Resolution so passed was presented to the Commission on September 1st by Dr. Alfred Thompson, a Member of the Yukon Council; that the closing of the Commission had left a great deal of evidence unheard; that written and signed complaints as to individual concessions obtained by alleged fraud or corruption had been submitted by Mr. Clarke but refused consideration by the Commission; that certain complaints tendered by miners had been refused consideration; that the attitude of the Commissioners toward witnesses was antagonistic, biased, arbitrary, undignified and unfair. Various affidavits were added to

the Petition which concluded by asking that the above complaints should be submitted to Parliament; that the findings of the Commission should not be accepted by His Excellency until other available and proffered evidence had been received and included in the Report: that no further Commission be appointed without each political party being represented upon it.

Political Affairs in the Yukon

Outside of the Treadgold matter there was not very much political controversy in the Yukon during 1903. Early in the year it was rumoured that the successor of Mr. James H. Ross, M.P., as Commissioner in the Territory would be Mr. F. D. Congdon, K.C., who had been for a time Crown Prosecutor and very lately had been in charge of Mr. Ross' Committee during his election for the House of Commons. The name of Mr. F. C. Wade, K.C., was also frequently mentioned. On March 2nd the Dominion Government approved of Mr. Congdon's appointment and he left shortly afterwards to assume his new duties.

On January 18th, the elections for the Yukon Council took place. The Crown-appointed members were Messrs. E. J. E. Girouard, Registrar, Judge C. A. Dugas, Mr. H. W. Newlands, Legal Adviser, Mr. E. C. Senkler, Gold Commissioner, Major Z. T. Wood, Superintendent of the N.W.M. Police. The election resulted in the choice of Mr. J. A. Clarke, Dr. Alfred Thompson, Messrs. Max Laudreville and Robert Low and the Rev. John Pringle. In Dawson City, on January 5th, Mr. Robert P. McLennan was elected Mayor by a good majority over three candidates of some prominence. During the year the Territory progressed in a quiet, steady and satisfactory manner. Its institutions seemed to work well upon the whole and in one instance more than that. To the London *Advertiser* of January 26th, Mr. Charles Macdonald, Clerk of the Territorial Court of Dawson, described existing political conditions there and then said:

> As to the administration of justice, it is simply a model. There have never been any gun plays in Dawson. The City and the Territory are policed by the North-West Mounted Police, one of the finest bodies of men in the world. Up there when a crime has been committed the perpetrators are brought to justice, whatever the cost may be. In the famous O'Brien murder case the Government must have spent $150,000. In the recent case, too, which resulted in the hanging of Labelle and Fournier, an enormous amount of money was expended. In this latter instance the Police exhibited remarkable skill and perseverance.

Speaking in the House of Commons on June 18th Sir Wilfrid Laurier referred to the vote of $150,000 which the Government was asking for the Yukon services of these North-West Mounted Police and explained that 300 men were now stationed there. It had been considered necessary to increase the number after the conspiracy discovered in Skagway some 18 months before. The men acted in various useful capacities. The Premier also stated that Federal expenditure in the Yukon had been $28,000 in 1895-6; $22,000 in the succeeding fiscal year; $495,000 in

each of the three succeeding years. For the current fiscal year $500,000 would be appropriated.

To the Toronto *Globe,* on July 27th, Mr. Walter Scott, M.P., of Regina, presented an elaborate defence of the non-appearance in the House during the Session of Mr. James H. Ross, M.P. for the Yukon. He explained the illness for which a year's absence was essential and in virtue of which Mr. Ross would probably entirely recover; and then dealt with the valuable work which he had done for his constituents by advice and care taken outside of the House. He also referred to Mr. Ross' well-known services to the North-West Territories and as Territorial Commissioner in Dawson City. During September a political meeting was held in Dawson and a Resolution passed challenging Mr. Ross to resign and contest the seat again. On September 25th a so-called social club whose President was Mr. J. A. Clarke, of the Yukon Council, and Mr. Ross' former antagonist, was raided at Dawson and judgment given against it on the following day as a gaming house.

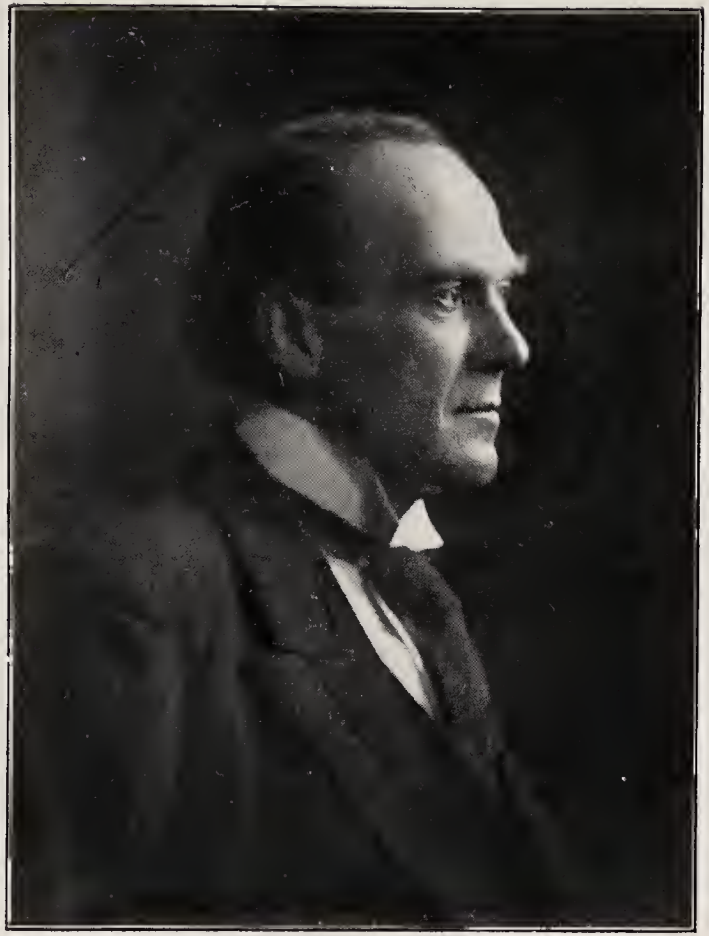
III.—RELATIONS WITH THE EMPIRE

The Government of the Empire

King Edward took a prominent part in controlling the Foreign relations and diplomacy of the Empire during the year, and in doing so affected more or less certain Colonial interests and sentiments. This was especially the case in connection with his visit to France. Following upon His Majesty's enthusiastic reception at Rome and in Lisbon, and preceding a state visit to Vienna, came his cordial welcome in Paris during a stay which lasted from May 1st to May 4th. Through all the formal ceremonies of the occasion the King showed his usual tact and powers of conciliation. A difficult situation was successfully met; ill feelings engendered by the misrepresentations of the war period greatly ameliorated; the friendlier settlement of controversial questions rendered probable. In his speech to the British Chamber of Commerce in Paris, on May 1st, His Majesty touched the key-note of the visit:

> A Divine Providence has designed that France should be our near neighbour, and I hope always a dear friend. There are no two countries in the world whose mutual prosperity is more dependent on each other. There may have been misunderstandings and causes of dissension in the past, but all such differences are, I believe, happily removed and forgotten, and I trust that the friendship and admiration which we all feel for the French nation and their glorious traditions may, in the near future, develop into a sentiment of the warmest affection and attachment between the peoples of the two countries. The achievement of this aim is my constant desire.

Such an incident, followed by the cordial expressions of the French press and by a visible *rapprochement* between the two countries, could not but be of special interest to the French-Canadians of Quebec. Naturally monarchists at heart, the incident seemed to increase the personal loyalty already existing. The Toronto *Globe* of April 20th voiced a strong feeling in Canada when it hoped for a future Royal visit to the Dominion, and declared that "it would be a mistake, however, to suppose that Edward VII. is merely an urbane gentleman, not to say a lover of the common people; he is a statesman and a diplomat of breadth of view, depth of insight and quickness of intuition. He knows how to time his visits in the interest of the peace of the world, for which he humanely and seriously labours." From July 6th to 9th President Loubet of France was the guest of the King, and his reception in London tended still further in the promotion of good feeling. It was not without a sincere echo in the convictions and hearts of Canadians that the Rev. R. J. Campbell, of London, was able to tell a Toronto audience, on July 22nd, that "Queen Victoria is gone, but her son remains, and I mean it when I say that I would not exchange King Edward, with all the criticism that has been



The Right Hon. Alfred Lyttelton, K.C., M.P.
Appointed Secretary of State for the Colonies, Oct. 6th, 1903.

His Grace the 9th Duke of Marlborough, P.C.
Appointed Under-Secretary of State for the Colonies, July 21st, 1903.

directed against him, for any Sovereign ruler on the face of the earth or any President of any Republic on either side of the water."

The more than successful Royal visit to Ireland followed, from July 21st to Aug. 1st and interested Irishmen in Canada as well as in other countries. In October came the visit to England of the King and Queen of Italy and the signature on Oct. 14th of an Arbitration Treaty between England and France. In this latter connection much praise was accorded to the King as one of the chief factors in bringing it about. Mr. W. R. Cremer, M.P., the well-known Radical, made the following comment to the *Daily News* of Oct. 15th as to this victory for Arbitration: "It has been the privilege and the joy of others to do the spade work in this beneficent movement, but to King Edward the opportunity was, at the psychological moment, presented to complete the work of thirty years. How well and how nobly His Majesty performed his part the history of the past nine months clearly shows. Indeed, the King seems likely to distinguish himself by efforts of a character not recorded in the reigns of any other English or Foreign monarch."

Addressing the British Parliamentary Delegation to Paris on November 26th the Premier, M. Combes, eulogized King Edward and toasted him as the Sovereign to whom they owed the Treaty. At the annual banquet of the British Chamber of Commerce, in Paris, on Dec. 3rd, its President, Mr. O. E. Bodington, made a similar reference to the King. To the Montreal *Witness* of Dec. 17th, Senator Dandurand, who had just returned from England, paid the following French-Canadian tribute to His Majesty: "The King is the most popular crowned head in Europe to-day. He is beloved at home, he is admired and praised in France, he is respected by every Power on the Continent."

Changes in the British Government during the year were numerous and important. On April 7th, Mr. W. Hayes Fisher, a popular and respected member of the Administration—in perhaps the most important post outside of the Cabinet—resigned his position as Financial Secretary to the Treasury because of his connection with a private syndicate or company whose affairs had become public. No personal blame was attached to Mr. Hayes Fisher and arrangements had been made by himself and another to pay every creditor and shareholder in full although they were both comparatively poor men and no legal claim existed against them. A high ideal of honour, however, induced him to retire and the scene in the House on April 7th was of the most sympathetic character.

He was succeeded, on April 10th, by the Hon. Arthur R. D. Elliot, M.P. for the City of Durham since 1898, a Liberal-Unionist and a brother of the Governor-General of Canada. On April 28th the Rt. Hon. R. W. Hanbury, M.P., President of the Board of Agriculture since 1900 and so well-known in Canada as an opponent of the admission of live cattle into England, died suddenly. He was succeeded on May 18th by the Earl of Onslow, G.C.M.G.,

Under-Secretary for the Colonies and formerly Governor of New Zealand. The new Colonial Under-Secretary, appointed on July 21st, was the Duke of Marlborough.

On September 18th, the announcement was made that Mr. Chamberlain, Mr. C. T. Ritchie, M.P., and Lord George Hamilton, M.P., had resigned their seats in the Ministry and that the greatest issue in modern British politics had entered upon another phase in its history. Mr. Chamberlain's letter to Mr. Balfour, dated Sept. 9th, expressed regret that the all-important question of fiscal reform had been made a party issue by its opponents; recognized the present political force of the cry against taxing food and the impossibility of immediately carrying his Preferential policy; suggested that the Government should limit their immediate advocacy to the assertion of greater fiscal freedom in foreign negotiation with a power of tariff retaliation when necessary as a weapon; and declared his own intention to stand aside, with absolute loyalty to the Government in their general policy, but in an independent position, with the intention of "devoting myself to the work of explaining and popularizing those principles of Imperial union which my experience has convinced me are essential to our future welfare and prosperity."

In his reply the Premier paid high tribute to Mr. Chamberlain's services to the Empire, sympathized personally with his Imperial ideals and agreed with him that the time was not ripe for the Government or the country to go to the extreme length of the Preferential policy. The resignations of the other two Ministers were dated Sept. 15th and were given because of their opposition to both the Colonial Secretary's policy and fiscal retaliation. Both gentlemen afterwards stated that they did not know, at the time, of Mr. Chamberlain's retirement. Lord Balfour of Burleigh and Mr. A. R. D. Elliot resigned on Sept. 21st, and the Duke of Devonshire, after prolonged and obvious hesitation, retired on Oct. 2nd. From the correspondence made public on Oct. 6th there appeared to be something of a personal feeling between His Grace and the Premier over the recent political developments.

The central incident of this Cabinet crisis was, however, Mr. Chamberlain's own action and the press of the world commented upon the situation with him as the pivotal figure. The feeling in the Colonies, upon the whole, was one of appreciation and admiration. Sir Edmund Barton, Premier of Australia, telegraphed: "Your great policy commands the support of Australia. We know you will persevere." The Canadian Manufacturers' Association, in Convention at Toronto, cabled their regret and the hope that his efforts would be "vigorously prosecuted." The Rt. Hon. R. J. Seddon, Premier of New Zealand, cabled congratulations upon the wisdom of the step and declared that his "chivalrous action and sacrifice for the Empire" would never be forgotten. The Legislature passed a Resolution along similar lines. The Premier of Natal (Sir A. H. Hime), the Australian Commonwealth Pro-

tectionist Association, the Melbourne Chamber of Manufacturers and many other public men or institutions sent similar communications. Individual comments and press opinions were, of course, innumerable. The general feeling throughout the Empire was, however, that the retirement preceded an aggressive personal campaign and the attainment of a position which would involve the practical leadership of the Conservative party and, whether at the succeeding or another general election, the coming in of Mr. Chamberlain as Prime Minister. Foreign opinion inclined to the belief that a strong exponent of British expansion, and an aggressive believer in British power, had received a severe blow which "in the interests of peace" could not be seriously deplored.

Meanwhile, the Cabinet was being reorganized with, it was "definitely" asserted by the Associated Press dispatches to Canada, the active intervention of the King. On Oct. 6th, it was announced that Mr. Austen Chamberlain, M.P., would be Chancellor of the Exchequer, Mr. Alfred Lyttelton, K.C., M.P., Secretary of State for the Colonies, Mr. H. O. Arnold-Forester, M.P., Secretary of State for War, Mr. W. St. John Brodrick, M.P., Secretary of State for India, Mr. A. Graham Murray, K.C., M.P., Secretary of State for Scotland, and Lord Stanley, C.B., M.P., Postmaster-General. The new Colonial Secretary was a son of the late Lord Lyttelton, was 46 years old, had taken a great interest in amateur sports and had been associated with Commissions in South Africa and Newfoundland. On Oct. 9th, the Hon. Victor C. W. Cavendish, M.P., nephew and heir of the Duke of Devonshire, was appointed Financial Secretary to the Treasury, and Earl Percy, M.P., son and heir of the Duke of Northumberland, became Under-Secretary of Foreign Affairs. On Oct. 12th, the appointments were announced of the Marquess of Salisbury—lately Lord Cranborne, M.P.—as Lord Privy Seal, Mr. E. G. Pretyman, M.P., as Secretary of the Admiralty, Mr. A. H. Lee, M.P., as Civil Lord of the Admiralty, Mr. W. Bromley-Davenport, M.P., as Financial Secretary to the War Office, Lord Balcarres, M.P., as Junior Lord of the Treasury, and the Marquess of Hamilton, M.P., as Treasurer of the Household. Two days later the appointment was announced of the Marquess of Londonderry, K.G., to be Lord President of the Council. On Oct. 15th, the Earl of Hardwicke became Under-Secretary for India and the Earl of Donoughmore Under-Secretary for War.

While these changes were impending at the heart of the Empire various appointments had been made or changes effected in the Government of its external countries. The announcement was made on Jan. 7th, of the appointment by the King of Admiral Sir F. G. D. Bedford, G.C.B., to be Governor of the State of Western Australia; on May 8th, of Mr. George Ruthven Le Hunte, C.M.G., to be Governor of the State of South Australia; on July 26th of the Hon. Sir J. S. Dodds, K.C.M.G., Chief Justice of the Island, to be Lieut.-Governor of the State of Tasmania; on Aug. 27th, of

Lord Lamington, G.C.M.G., to be Governor of Bombay; on Oct. 10th, of Sir H. A. Blake, G.C.M.G., to be Governor of Ceylon, Major Sir Mathew Nathan, R.E., K.C.M.G., to be Governor of Hong Kong and Mr. J. P. Rodger, C.M.G., to be Governor of the Gold Coast Colony. In the House of Commons on Aug. 12th Lord George Hamilton announced that the term of Lord Curzon of Kedleston, as Viceroy of India, would be extended until May, 1904 and, if he desired it, for two years from January 1st, 1904. During the succeeding Cabinet crisis Lord Milner declined to leave South Africa for the position of Colonial Secretary and about the same time it was announced that in December Lord Northcote, G.C.I.E., C.B., Governor of Bombay, would succeed Lord Tennyson as Governor-General of Australia.

There were several important changes in the Governments of the Empire, outside of Great Britain and Canada, during the year. The Ministry of Sir A. H. Hime in Natal retired during August and on Aug. 17th, the Hon. George Morris Sutton, M.L.C., formed a Government after Sir James L. Hulett, Leader of the Opposition, and Mr. J. G. Maydon, had declined to undertake the Premiership. Mr. Maydon became Colonial Secretary, Mr. T. Watt, Minister of Justice, Mr. Joseph Baynes, Minister of Lands and Works, Mr. George Leuchars, Secretary for Native Affairs, and Mr. W. F. Clayton, Minister of Agriculture. In the State of Victoria, Australia, a local sensation of the year was the enforced retirement of the Hon. Mr. McKenzie, Minister of Lands, on account of charges made in the Legislature, and declared proven by a Select Committee on Feb. 11th, to the effect that he had used his position improperly in connection with certain grazing licenses. He was succeeded by the Hon. J. W. Taverner, M.L.A. On July 24th, the Right Hon. C. C. Kingston, M.P., Minister of Trade and Customs in the Commonwealth Government, resigned his office because of differences with his colleagues upon the question of industrial conciliation. He was a politician who bulked largely in the public view and held a high place in the Labour party's affections.

The reorganization of Sir Edmund Barton's Government followed on Aug. 7th with Sir William J. Lyne, as the new Minister of Customs, Sir John Forrest, as Minister for Home Affairs, the Hon. J. G. Drake, as Minister of Defence, and Sir Philip Fysh, as Postmaster-General. In the State of Queensland, on Sept. 17th, the Hon. Arthur Morgan succeeded in forming a Ministry in succession to that of Mr. Philp. His colleagues were the Hon. Messrs. A. H. Barlow, W. H. Browne, William Kidston, J. T. Bell, J. W. Blair, and D. F. Denham. Important changes occurred in the Commonwealth Government on Sept. 24th when the new Supreme Court of Australia was organized. Sir Edmund Barton resigned the Premiership and Mr. R. E. O'Connor, K.C., retired from the Ministry to accept the posts of Associate Justices under the Rt. Hon. Sir Samuel Griffith, G.C.M.G., as Chief Justice. The Government was re-formed with Mr. Alfred Deakin as Premier and Min-

ister of External Affairs, Sir W. J. Lyne as Minister of Trade and Commerce, Sir George Turner as Treasurer, Sir John Forrest as Minister for Home Affairs, the Hon. J. G. Drake as Attorney-General, Sir Philip Fysh as Postmaster-General, Mr. Austin Chapman as Minister of Defence, and the Hon. Thomas Playford as Vice-President of the Council. The last two were the new members. The following appointments made, or honours conferred by, the King during 1903 were of more or less Canadian interest:

April 8.—Lieut.-General Sir Ian S. M. Hamilton, K.C.B., D.S.O., to be Quartermaster-General to the Forces.

April 8.—Prof. James Alfred Ewing, LL.D., F.R.S., of Cambridge, to be Director of Naval Education.

April 10.—General Sir Evelyn Wood, V.C., G.C.B., etc., and General Sir George White, V.C., G.C.B., etc., to be Field Marshals in the Army.

May 28.—To be Companions of the Imperial Service Order (I.S.O.).
John Mortimer Courtney, C.M.G. Deputy Minister of Finance of the Dominion of Canada.
William Grannis Parmelee, Deputy Minister of Trade and Commerce.
Charles Jerome Jones, Chief Clerk, Office of the Secretary to the Governor-General.
Colonel Donald A. MacDonald, Chief Clerk and Chief Superintendent of Stores, Department of Militia and Defence of the Dominion of Canada.
Kivas Tully, C.E., Consulting Architect and Engineer, Department of Public Works of the Province of Ontario.
Martin Murphy, C.E., Provincial Engineer of the Province of Nova Scotia.
Eugene Etienne Taché C.E. Deputy Minister of Lands, Mines, and Fisheries of the Province of Quebec.
James Scott Beek, Auditor-General of the Province of New Brunswick.
Lieutenant-Colonel Richard Wolfenden, King's Printer, Province of British Columbia.
Solon William M'Michael, Chief Inspector of Customs, Toronto.
Augustus Power, B.C.L., K.C. Chief Clerk of the Department of Justice, Ottawa.
Frederick Montizambert, M.D., Director-General of Public Health, Ottawa.

June 1.—Admiral Sir John Arbuthnot Fisher, G.C.B., to be Commander-in-Chief at Portsmouth and Rear-Admiral Sir Charles Carter Drury (a Canadian), to be Second Naval Lord of the Admiralty.

June 12.—Major H. G. Joly de Lotbiniére, R.E. and Major R. K. Scott, R.A., decorated by the King, in person, with the D.S.O.

June 25.—Sir Richard Solomon, K.C.M.G., Attorney-General of the Transvaal, to be a K.C.B.
Lord Tennyson, Governor-General of Australia, to be a G.C.M.G.
Surgeon Major-General John By Cole Reade, C.B. (a Canadian), to be K.C.B.
Louis Philippe Hébert, Montreal, to be C.M.G.
Colonel Louis Felix Pinault, Deputy Minister of Militia and Defence, Ottawa, to be C.M.G.

Nov. 9.—To be Companions of the Imperial Service Order (I.S.O.).
Robert Bell, M.D., LL.D., Acting-Director of the Geological Survey, Ottawa.

Nov. 9.—Edwin Gilpin, M.A., D.C.L., Deputy Commissioner of Public Works, Nova Scotia.
David Ewart, Chief Architect, Public Works Department, Ottawa.
John George Hodgins, M.A., LL.D., Librarian to the Province of Ontario, Toronto.
Lieut.-Col. Robert Henry Smith, Sergeant-at-Arms, House of Commons, Ottawa.
Lieut.-Col. Acheson Gosford Irvine, Warden of Manitoba Penitentiary, Winnipeg.
John Uriah Gregory, Agent of Marine and Fisheries, Quebec.

Position and Duties of the Governor-General.

Some discussion took place during the year as to the Earl of Minto's successor in the important post of Governor-General of Canada. The Sydney (N.S.) Board of Trade asked for the appointment of Sir Wilfrid Laurier and that of Chatham, N.B., joined the Vancouver *Province,* the Dundas *True Banner* and a few other papers in suggesting Lord Strathcona for the position. The latter's known opposition to the appointment of a Canadian and the absence of any popular desire to change the present system prevented the proposals being further endorsed. At a banquet in St. John on Nov. 6th, however, Mr. Tweedie, Premier of New Brunswick, said he believed the time was near at hand for taking such action. Other names mentioned by cable as possibilities were those of the Duke of Marlborough, Lord Northcote, Mr. George Wyndham, Secretary for Ireland, and Lord Dundonald. On June 21st, it was officially announced that Lord Minto's term had been extended for another year.*

Meanwhile, His Excellency had been taking an active part in public functions. On Jan. 7th, he addressed the Eastern Ontario Dairymen's Association at Ottawa; on Jan. 22nd, he spoke at some length at the annual banquet of the North American Fish and Game Association in the same City; on April 29th, he arrived at Toronto with Lady Minto for a visit which lasted until June 3rd, and was the occasion of many social entertainments and much quiet work in the visiting of charitable and other institutions and the patronage of various events of public importance. A week of this period was spent in a tour of Western Ontario which included visits to 14 cities, towns or villages and the making of some 43 speeches by the Governor-General. Guelph and Berlin were visited on May 11th; Stratford and London on May 12th; St. Thomas, Chatham, Windsor, Sandwich and Walkerville on May 13th—with a brief visit and reception at Detroit; Woodstock and Brantford on May 14th; Hamilton and Grimsby on May 15th. While in Toronto, Their Excellencies occupied the house of Mr. J. W. Flavelle, in Queen's Park.

A banquet was given by the citizens to Lord and Lady Minto on May 28th. The function was held at the King Edward Hotel with

*Note—His Excellency was originally appointed on July 25, 1898.

Lieut.-Col. John I. Davidson in the chair and a number of prominent citizens present. The Governor-General, the Provincial Premier and the Mayor were the only speakers. On May 31st, Lady Minto visited Brampton while June 4th was spent in Muskoka by the Governor-General and his wife and the following day at Peterborough and Belleville. Sherbrooke was visited on June 19th and from there the train was taken to Quebec. At the banquet in Montreal on Aug. 20th, given to the Delegates at the Chambers of Commerce Congress, Lord Minto delivered an address of marked ability. After referring to the great resources and material progress of Canada, the critical contest in Great Britain over Preferential tariffs, and the national ambitions of Canadians, he urged support to the policy of Preferential trade, to the principle of Empire defence, to the idea of being an Imperial Canadian, and concluded as follows:

> Gentlemen, it is impossible to foretell the issue of the coming struggle, but in my firm belief we stand very near the parting of the ways—our opportunity is before us and it may never come again. What is to be our choice—a mighty Empire, a brilliant constellation of nations, united in common interests, disseminating throughout the world the spirit of free institutions and liberal ideas, proud of a glorious history and confident in the promises of the future—or the gradual estrangement of that Empire's component parts and its ultimate disintegration. This is not the time to sit down and fold one's hands; it is the time for those who believe in the future of our Empire to speak out.

One result of this deliverance was a vigorous assault upon the Governor-General in a speech by Mr. Henri Bourassa, M.P., at Montreal, on Aug. 23rd. He denounced Mr. Chamberlain and his policy and Mr. Tarte for supporting Preferential trade. He eulogized Sir Wilfrid Laurier for refusing to contribute to Imperial defence and then declared that Lord Minto was speaking publicly in opposition to his own Premier. "Why, then, had the representative of the Crown contradicted him? The English people had dethroned kings for taking that line of action heretofore. How dared Lord Minto speak thus when the great peacemaker of the Empire had taken such pains to observe the constitution and to refrain from doing anything that might in the least embarrass his constitutional advisers. It was because Lord Minto was here as the representative of Mr. Joseph Chamberlain rather than of the eminent Sovereign who had earned the love of all his subjects in every clime, Edward VII." There were other things in this speech which partook of a personal character and received a good deal of criticism from the press of both parties. On Nov. 30th, following, Lord Minto addressed a banquet of the St. Andrew's Society in Toronto and dwelt upon the martial history and qualities of Scotchmen the world over. On Sept. 2nd, Lady Minto left Ottawa with her two daughters for a trip to Japan and reached Victoria, B.C., upon her return on Nov. 10th following.

British Trade and Taxation

A statistical summary of Great Britain's position is essential to any adequate consideration of the Imperial issues raised during 1903. Out of the multitude of figures produced by the year's controversies a few may be given as specially illuminative on one side or the other, without reference to any specific point of view. On May 21st the Admiralty issued a statement of the Empire's trade which was intended to correct some erroneous figures laid before the Colonial Conference of 1902, and to indicate what it was which the Navy had to protect. According to this abstract the trade of the United Kingdom with Foreign countries in 1900 was £711,838,000, and with British countries, £237,098,000. Adding to these amounts £254,342,000 as the trade of British Dominions beyond the Seas with Foreign countries and amongst themselves, the total commerce protected by the British flag and the Admiralty was £1,203,278,000, or $6,016,390,000. From the ensuing Report of the Canadian Department of Trade and Commerce for 1902, British trade with the Empire and with Foreign countries during a five-year period may be compiled as follows:

	With British Countries		With Foreign Countries	
Year	Imports from	Exports to	Imports from	Exports to
1897....	£ 94,027,774	£ 86,964,369	£357,001,186	£207,209,749
1898....	99,623,017	90,110,736	370,921,685	203,903,252
1899....	106,829,295	94,149,596	378,206,288	235,285,062
1900....	109,530,635	102,024,054	413,544,528	252,349,700
1901....	105,573,706	113,118,364	416,416,492	234,745,904

According to figures issued by the British Board of Trade in May the record for the year ending December 31st, 1902, showed imports from British countries of £106,500,000, and exports thereto of £109,000,000; while the imports from Foreign countries were £421,500,000, and the exports thereto, £174,000,000. In a letter to the *Standard* of June 2nd, the Hon. Henry Copeland, Agent-General for New South Wales, dealt with the value of Australia's trade with the Mother Country. He pointed to the imports of the Commonwealth from Britain as £25,237,032, and the exports thereto as £25,431,955, in 1901. This total trade of £50,000,000 was equal to that between the United Kingdom and Austro-Hungary, Italy, Greece and Turkey in Europe and Asia; or to that with China, Japan, Spain, Portugal, Morocco, Tunis, Tripoli and Persia; or to that with the chief South American countries. The total trade with Russia, Sweden, Norway, and Denmark and her Colonies was £79,000,000, or just equal to the British trade with Australia and Canada.

In answer to a question in the House of Commons, on June 18th, Mr. Chamberlain stated that British exports to the Colonies showed a large and continuous increase. The yearly average of export for five-year periods was given. In 1876-80 it was £67,455,270; in 1881-85 it was £81,294,831; in 1886-90 it was £81,186,508; in 1891-95 it was £85,168,121; in 1896-1900 it was £86,043,165; and

in 1902, £109,028,611. Meanwhile, *Commercial Intelligence*, a London trade paper, had taken up the question of British industry being in a declining state, and, on February 19th, published an elaborate list of imports of the chief raw materials used in manufacturing in order to prove the contrary.

Raw Materials Imported		1887	1902
Cotton (raw)	cwts.	15,995,000	16,221,000
Linen yarn	lbs.	14,162,000	28,158,000
Iron ore	tons	3,766,000	6,440,000
Paper (unprinted)	cwts.	1,692,000	6,300,000
Skins	No.	14,462,000	32,814,000
Furs	"	25,134,000	52,913,000
Wood and timber	loads	6,654,000	9,608,000
Wool and Hair	lbs.	599,451,000	676,408,000

On May 26th the *Daily News*, a bitter opponent of fiscal change, had a curious article analysing recent industrial developments. It drew attention to the fact that in 1901 the exports of the United States—$1,465,000,000—fell little short of those of the United Kingdom, while one-half of them went to the British Empire; that, comparing the years 1896-1900 with 1880-84 British imports from the United States increased nearly 25 per cent., while British exports to that country fell 34½ per cent. "An examination of details shows more serious cause for reflection. French exports of manufactured articles have increased by 12 per cent. in the last fifteen years, German by 36 per cent., and American by 154 per cent.; while at the same time British exports in the same category have been practically stationary, and we have been purchasing foreign manufactured, or partly-manufactured, goods at a growing rate." No cure was suggested excepting peace, retrenchment and greater industrial activity.

During the year a pamphlet was issued by the Rt. Hon. G. J. Shaw-Lefevre, a well-known Liberal politician and statistical authority, dealing with trade balances and conditions. In it he estimated the interest on British capital invested in Foreign and Colonial securities, bearing income tax, to have been £25,000,000 in 1865 and £92,000,000 in 1902. In the same years, respectively, the estimated annual remittances to Great Britain from the Indian Government and from Englishmen abroad and in the Colonies—not paying income tax—were stated by him at £25,000,000 and £40,000,000. The total increase was, therefore, £82,000,000. As to the probable total of the yearly investments of British capital abroad he made elaborate calculations, based upon a beginning of £34,000,000 in 1865. The average varied greatly in following years from £60,000,000 in 1871 and four succeeding years down to £33,000,000 in each of the years running from 1891 to 1896, £19,000,000 in each of the years 1896 to 1900 and £6,000,000 in 1901 and 1902. He estimated the capital sum on which interest was due to the British public in 1865 at £560,000,000; the aggregate of investments abroad between that year and 1902 at £1,290,-

000,000; and the present capital sum so invested at £1,850,000,000. On Sept. 11th, Sir Robert Griffin, K.C.B., F.R.S., presented an able review of the Empire's statistical condition to the British Association meeting at Southport. The following table may be quoted:

Country.	Capital or Wealth.	Aggregate Income.
United Kingdom	£15,000,000,000	£1,750,000,000
Canada	1,350,000,000	270,000,000
Australasia	1,100,000,000	210,000,000
India	3,000,000,000	600,000,000
South Africa	600,000,000	100,000,000
Remainder of Empire ...	1,200,000,000	200,000,000
	£22,250,000,000	£3,130,000,000

Following the inauguration of Mr. Chamberlain's fiscal movement various official studies were made of trade and commerce and popular conditions, and issued as special Reports by the Board of Trade Department. According to a Return made public on Aug. 20th, the total value of British imports of food products in 1861—when free imports became in the main a completed fact—was £88,141,000. In 1902 it was £224,520,000. From British countries in the former year the total obtained was £16,655,000 and in 1902, £43,516,000. The total value of these imports per head of the population was, respectively, £3 and £5 4s. In 1861, the assessable incomes of the United Kingdom totalled £93,888,251 and in 1902 they were £205,355,871.

On Sept. 16th, a voluminous and elaborate Report on Trade and Industry was issued. Amongst the varied statistics was a statement showing the exports of all articles of British produce to protected countries and colonies in 1850 as being 56 per cent. of the total. This had decreased in 1902 to 42 per cent. while the proportion to "other countries and colonies" had risen from 44 to 58 per cent. In manufactured, or partly manufactured, articles the reduction in the first case had been from 57 to 38 per cent. Tables were given of the yearly imports and exports of manufactured goods by the four leading nations and they may be quoted here for the years 1880 and 1901:

	Imports.		Exports.	
Country.	1880.	1901.	1880.	1901.
United Kingdom..	£83,200,000	£142,700,000	£198,200,000	£221,000,000
Germany	39,100,000	53,200,000	83,500,000	144,000,000
France	24,000,000	30,900,000	73,600,000	90,000,000
United States	55,900,000	67,300,000	21,400,000	85,600,000

The Canadian Preferential Tariff

Apart from its importance as the influence which mainly contributed to the abrogation of the Belgian-German Treaties, and as becoming, therefore, a central theme in Imperial politics, Canada's fiscal Preference in favour of Great Britain was occasionally dealt with during the year and a few comments may be quoted here. Writing to the leading British newspapers on January 28th, Lord Strathcona treated

the subject with a good deal of elaboration, and traced with minuteness the workings of the tariff and its influence upon British trade. He pointed out that from 1887 to 1897 the exports of the United Kingdom to Canada steadily decreased—from $44,962,233 in the former year to $29,412,188 in the latter, and that from the time the Preferential tariff came into operation on April 27th, 1897, the increase in British exports to Canada was marked and continuous—from $29,412,188 in 1897 to $49,206,162 in 1902. In this latter period the increase included $15,845,142 of dutiable goods and $4,948,732 in free goods. "The figures seem to prove beyond question that the Preferential tariff arrested the decrease in British exports to Canada which was apparent for some years up to 1897; and that it has also led to a continuous increase from that year up to the present time."

In Canada, aside from Parliamentary discussions, the attitude of the manufacturers was most in evidence during the year. In their organ *Industrial Canada,* for April, it was argued that a much higher tariff was needed against the United States than against Great Britain but that, in preserving the Preference, more care should be taken in preventing the importation of Foreign goods as British manufactures. "It is true that the present tariff hits some of our manufacturers very hard and will injuriously affect many others when hard times come, but the way to remedy the evil is not to abolish the Preferential tariff, but to so increase the general tariff as that, even with a British preference of 33⅓ per cent., the minimum tariff will be high enough to safeguard Canadian interests." In its July number the same paper treated the subject as follows:

> The most striking feature in Canadian trade statistics is the extent to which British manufactured goods have been crowded out of our market by American and German competition. The most important effect of raising the tariff so high that many lines of goods manufactured in the United States and Germany would be almost entirely shut out of the Canadian market, would be to stimulate manufacturing enterprises in Canada; but British goods would to a considerable extent replace American and German goods. If the manufacturers of the United Kingdom secured one-half of the money that Canadians now pay for goods made in the United States and Germany, it would mean a large increase in British exports to Canada. It should be remembered, too, that Canada is now growing rapidly in population, and the growth would be greatly increased by a preference in the British market.

Mr. Tarte spoke and wrote strongly about the Preference at this period. In *La Patrie,* on Feb. 16th, he declared that Mr. Chamberlain had depreciated its usefulness while British manufacturers and bankers were dissatisfied with it. "Our Canadian manufacturers are complaining bitterly of the competition to which they are subjected from these same English manufacturers who assert in so light a spirit that the concessions which we have made are worthless to them. We believe that public opinion in Canada would welcome with satisfaction the repeal of the Preferential

clauses. England closes her doors to our cattle. She declares it to be impossible for her to give a preference in her makets to our national products. She says that that which we have freely given is of no valuc to her." Mr. R. L. Borden did not at any time advocate the abrogation of the Preference, but on more than one occasion he denouncod its operation. At Whitby, on March 23rd, he said that "he was as loyal as anyone, but he believed a factory in Canada was of as much service to the Empire as one in Yorkshire. He did not believe in a policy which built up industries in England at the cxpense of those in Canada. He did not believe in a Preference on a basis which destroyed Canadian industries, but he did believe in a system of mutual trade preference within the Empire."

Speaking at Threc Rivers on Oct. 3rd, Mr. F. D. Monk, M.P., thc Conservative leader in Quebec under Mr. Borden, repeated his antagonism to the Government's policy in this respect. He held that if Canada gave or maintained a Preference to England it should only be on condition that she received something in return. In tariff matters there should be no sentiment and it was "the duty of the Government to protect Canadian industry instead of adopting measures which sacrificed the woollen and cotton mills of the country." This phase of the subject was discussed by various individual manufacturers in the press from time to time.

In the Montreal *Star* of Oct. 1st, appeared a list of 26 woollen mills with an estimated capacity of over $2,200,000 which, it was statcd, had closed down in recent years—most of them permanently and many owing to the Preferential tariff. About this season other reported suspensions of work or closing of mills were rife and on Nov. 20th, the *News* of Toronto had various interviews with leading business men regarding the outlook. It was pointed out that there were now some 300 woollen factories in Canada employing about 10,000 men and with $15,000,000 invested in them. Yct the importation of woollen goods was steadily increasing and, since 1897, $56,000,000 worth had come from Great Britain.

The Toronto *Star* of Oct. 9th, had an editorial reviewing the influences created by this Preference. It was a little thing but it had put the whole world in a tremor. "Germany retaliated upon us for favouring British goods; Grcat Britain is discussing the abandonment of her fiscal system; the United States and all the protected nations are uneasy lest the British Empire shall perfect a scheme—in principle like their own—by which the Empire shall regard a trade injury to a foreigner as bring equally as desirable as a trade benefit to itself." This Liberal papcr had various other editorial articles dcaling with the Prefcrential tariff as the "egg of Chamberlainism." Other papers took the same line.

During the annual mceting of the Canadian Manufacturers Association in Toronto on Sept. 16th, 17th, and 18th, much was said about the Preferential tariff. Mr. George E. Drummond, the President-elect, on the first-named date pointed to the fact of American wages being paid in Canada and the necessity, there-

fore, of a fair protection and to the fact that a preference spread over all products, with a reasonable tariff upon all, was better than a preference upon a portion and no duty against outside countries upon others. He wanted to preserve the Preference and to make it consistent and more effective against Foreign countries. Mr. Cyrus A. Birge spoke of the present Preference as being equal to 50 per cent. over the Foreign competitors of Great Britain; declared that the lack of aggressiveness in the British manufacturer was the reason for any lack of effectiveness; and stated that many branches of Canadian industry were now suffering from the competition of cheap English production and from the abuse of the Preference by firms in Foreign countries shipping through Great Britain.

The Preferential Tariff in Parliament,

In the House of Commons on Mch. 13th, Sir Wilfrid Laurier referred to Canada's gift of a Preferential tariff and to the pending decision in Great Britain as to the continuance and aplication of the Corn-tax. It might result in a wider preference. During his Budget speech on April 16th, Mr. Fielding referred at length to this general subject. At the Conference of the preceding year the Dominion Government had stated their views distinctly. "As between the British manufacturer and the Canadian manufacturer we thought we had gone as far in the way of reduction of duties as we could. But we were prepared to so re-arrange our tariff as to give Great Britain a further preference, not over the Canadian manufacturer, but over the Foreign competitor." He then reviewed the proceedings and Resolutions of that Conference and made the following much-discussed reference to the question of a return favour being granted through the Corn-tax or otherwise:

> But if, after further consideration, they come to the conclusion that our request is not a reasonable one, if, owing to their adherence to certain views they cannot grant us the preference, we shall be free to take our own course. Whether, in such a case it would be wise, in the interests of Canada, to modify or change the Preferential tariff, would be a question to be considered. But, putting aside other considerations, if the British Government and people do not show any appreciation of the value of the preference, then, so far as the British Government and people are concerned, they cannot complain if we see fit to modify or change that Preferential tariff.

On the ensuing day Mr. R. L. Borden dealt with this matter from the Opposition standpoint. He claimed that there was greater comparative increase in trade with the United States than with Great Britain and deduced the conclusion that the Preference was ineffective; pointed to the imports from the United States as having increased from $58,574,024 in 1896 to $120,807,050 in 1902, or 106·25 per cent., while those from Great Britain had only grown in the same period from $32,979,742 to $49,213,762 or 49·22 per cent.; claimed that dutiable goods from Great Britain paid an average rate of 24·03 per cent., while dutiable and free combined paid an average of 17·18 per cent. from Great Britain and are 25·18 and 13·20 respectively from the United States; quoted figures to prove that while British exports to France had increased between

1896 and 1900 by 32·19 per cent., to Italy by 56·06 per cent., to Belgium by 45·10 per cent., to Sweden by 78·58 per cent., to Portugal by 57·27 per cent., to the German Empire by 30·45 per cent., to Russia by 22·19 per cent., those to Canada under Preferential privileges had only increased by 36 per cent. He expressed no opinion as to what changes, if any, were desirable. Sir Richard Cartwright, on April 20th, dealt with the general position of the Preference, referred to the fact that while the average Canadian family consumed annually some $50.00 worth of British goods, the average American family used $6.00 worth and then made the following point:

> You will find that our trade with England in dutiable goods, although relatively smaller than our trade with the United States, is in all human probability much more profitable than the trade which the United States carry on with us. That was a subject which I had occasion to examine into pretty fully during the period that the Joint High Commission was sitting in Washington, and I make the assertion without much fear of contradiction by those who are acquainted with the details, that it will be found that the profit the English merchant derives from the $35,000,000 of goods which he sells to Canada is vastly in excess of the profit which the American manufacturer derives from the $60,000,000 of dutiable goods which he sells to Canada.

Mr. John Charlton, on April 21st, made his position clear in this connection. "I assert again that it is my firm conviction that we should never have given a Preference; that one in return cannot be given." Two days later Mr. T. O. Davis declared that he did not look at the matter from a sentimental standpoint. "I have looked upon the British Preference as a reduction in the taxation that the people of our (Western) part of the country have benefited by." Mr Oliver took the same line on April 24th, and declared that the lowering of the duties on cottons and woollens had saved the Canadian consumer a total of $1,410,000 in the past year alone. On April 30th Mr. Paterson, Minister of Customs, made a significant reference to the recent abolition of the Corn-tax and the liberty of the Government to now "alter, amend, or change" the Preference in Canadian interests.

> There are several reasons which might prompt us to do this. We have not considered propositions from other nations. So long as the Preferential tariff is in existence if any nation should demand equal preference with Great Britain, we would not consent to give it, but if Great Britain does not consider the preference of any value to her she could not complain seriously if, perhaps, we desired to place ourselves in the position of being able to obtain trade preferences from other nations.

British and Canadian Relations with Germany

As a result of British support to Canada in the latter's fiscal attitude toward Germany, the question became a most important Imperial issue and one of the chief elements in subsequent political developments. The origin of the question was in the Canadian Preferential tariff which precipitated the British notice abrogating, on July 30th, 1898, the commercial treaty with

the German Zollverein which had been originally negotiated on May 30th, 1865. Upon the former date Canada's Preference of 12½ per cent. in favour of British goods (which had until then operated also in favour of Germany) was increased to 25 per cent. and applied solely to British and Colonial products. On the same date, by virtue of special German legislation passed on May 11th, 1898, there was accorded to goods imported by Germany from the United Kingdom and British Colonies, with the exception of Canada, the right to the lower Customs rates granted to most favoured nations.

The British Government was duly notified of this legislation and discrimination, and on July 11th, 1898, Lord Strathcona, on behalf of Canada, wrote to the Under-Secretary for the Colonies as follows: "It is true that the Dominion is granting to the United Kingdom and certain British Possessions a preferential tariff after the 31st inst., but that is a matter of purely domestic policy as distinct from foreign policy. And in this connection I may state that Canada proposes to extend to Germany the same privileges that are accorded to all other Foreign powers. It will be gratifying to the Dominion Government, if it is possible, to continue this policy so far as Germany is concerned. And all that Canada asks in return is the same treatment that is being accorded to Germany." He also pointed out that in the French, Spanish and Portuguese Colonies a preference was granted to the goods of the metropolitan countries without any change in policy toward those countries by Germany. To this latter fact, Lord Salisbury, in his despatch of June 24th, 1899, drew the attention of the German Government, but with no response further than the declaration by Baron von Richthofen, on August 5th, that Canada had deprived Germany of "a valuable right," and that equal treatment of their products was in the interest of both Great Britain and the German Empire.

Canada, therefore, remained under a distinct disadvantage in the German markets, and Great Britain was threatened with an abrogation of the most-favoured-nation treatment for her products which she had requested should be continued after the end of 1903. On April 15th, 1903, the Baron von Richthofen wrote upon this point to Sir F. Lascelles, the British Ambassador, and the latter replied during an interview on April 21st, in words which he communicated to Lord Lansdowne two days later. The statement and reply, which follow, were significant:

The German Minister:—The Imperial Government think, however, that they should not conceal the fact that it appears doubtful, especially having regard to the opposition to be expected in the Reichstag, whether this intention can be realized if Germany is differentiated against in important parts of the British Empire, and if, in particular, the report is confirmed that German goods will in the future be less favourably treated than British, not only in Canada, but also in British South Africa.

The British Ambassador:—I said that the commercial relations of our two countries were so large that anything in the nature of a Customs war would do incalculable harm to both, an opinion fully shared by His Excellency; but

that I fully believed that if any serious damage were done to British trade by the non-prolongation of most-favoured-nation treatment, the outcry in England would be so great that His Majesty's Government would be forced, however unwilling, to take retaliatory measures.

Meanwhile, on April 16th, Mr. Fielding had announced in the Dominion Parliament the failure of all representations to Germany; described the informal negotiations of November, 1901, between the Premier, the Ministers of Finance and Customs, and Mr. Franz Bopp, German Consul-General at Montreal; and in the following words described the new duties which it was intended to impose immediately upon German goods: "We propose that as respects the dutiable goods we shall insert in our tariff a clause to the effect that when any foreign country treats the imports from Canada on less favourable terms than the imports from other countries; then in such a case there may be imposed on the goods of such foreign country a surtax over and above the duties expressed in Schedule A of our tariff, which is commonly known as the general tariff—such surtax to be one-third of the duty so expressed in Schedule A of the general tariff."

Public opinion in Germany as to this action by Canada was pronounced. Mr. I. N. Ford cabled the *Globe* on April 20th, that "it is presumed in Berlin that if the Canadian tariff proposals become law the German Government will at once obtain authority from the Reichstag to apply a special prohibitory tariff on all imports from Canada." The *National Zeitung* declared that the question thus raised must be strenuously fought out; that similar action by other British Colonies must be prevented at all hazards and that, in any case, commercial relations between England and Germany would be impaired by this policy of Canada's. On April 27th, Mr. Ford cabled the *Globe* that latest advices from Berlin indicated that "the German Government have decided to enter energetically upon a tariff war with Canada and will levy additional duties upon Canadian produce." On May 14th, the *Kolnische Zeitung,* of Berlin, in what was thought to be an inspired paragraph, said: "A tariff war with Canada is a matter of comparatively small importance for Germany. If, however, further tariff wars were to arise out of it with other British Colonies, this would, indeed, lead to a material change in the tariff situation."

Meantime, on April 23rd, Baron Von Richthofen had told Sir Frank Lascelles, in connection with the proposed renewal of the British commercial treaty, that the policy of a South African Preference coming on top of the Canadian action would make it very difficult to obtain the approval of the Reichstag to any prolongation of the most favoured-nation clause to Great Britain herself. Then came Mr. Chamberlain's Birmingham speech of May 15th and his very explicit reference to the fiscal unity of German States, to the refusal of Germany to consider British countries in the same category, to the action of that Empire in having "penalized Canada" because of its Preferential policy, and to its veiled threats to other British Colonies.

> Therefore it is not merely punishment inflicted by Germany upon Canada but it is a threat to South Africa, to Australia and to New Zealand ; and this policy, as a policy of dictation and interference, is justified by the belief that we are so wedded to our fiscal system that we cannot interfere, that we cannot defend our Colonies, and that in fact any one of them which attempts to establish any kind of special relations with us does so at her own risk and must be left to bear the brunt of Foreign hostility.

The general character of this speech and the reception which was given in Great Britain to succeeding proposals for an Empire preferential system, or for retaliatory protection, worked a sudden change in German opinion. On May 21st, the *Kolnische Zeitung* declared that while counter measures must be taken it was immaterial whether such action was sooner or later. "In any case careful deliberation must precede action for there are far more important things at stake in this affair than German-Canadian commerce. It would be a great mistake to underrate the importance of Mr. Chamberlain's utterance." On May 31st, an official article appeared in the Cologne *Gazette* with the following statement: "By adopting more stringent measures against Canada we should assuredly gain nothing, and we might possibly introduce into the economic battle which has now to be fought out between English parties an element which would favour the efforts of those who do all they can to place obstacles in the way of Foreign exports to the Colonies." On the succeeding day a despatch to the London *Times* declared that since Mr. Chamberlain's speech the whole German press had changed its tone as to the retaliatory policy which before that time had been considered settled.

Speaking in the British House of Commons on June 17th, Mr. Balfour referred at length to this German attempt to penalize the Colonies and asked whether Parliament or the nation was going to patiently endure such threats. Mr. Chamberlain pointed out that since the question of retaliation had been raised nothing was heard as to Germany's promised action. Commenting upon these speeches on the following day the *Vossische Zeitung*, of Berlin, stated clearly that "not until the battle of English parties is decided shall we have to take up our definite position." Meanwhile, the Imperial Government had been assuming a pretty stiff attitude with Germany and, on June 20th, Lord Lansdowne sent a long despatch to Berlin defending Canada and making a veiled threat of a most unusual character in modern British diplomacy:

> Should the German Government, however, persist in the attitude which they have taken up on this matter and, further, extend to the products of other British Colonies, and even to those of the United Kingdom, whose tariff is at the present moment based upon the most liberal principles, the discrimination which they have enforced against Canada, a very wide and serious issue must inevitably be raised involving the fiscal relations of this country and the German Empire.

Lord Lansdowne followed this up on July 8th by protesting against the German proposal to retaliate upon Great Britain for

Canada's aetion by refusing a renewal of the most-favoured-nation arrangement; but adding that, whatever might result, " the Government have no intention of drawing a distinction between their own interests and those of the self-governing Colonies." A debate upon this matter took place in the House of Lords on June 29th and Lord Lansdowne drew attention to the important effeet upon British trade which might follow any realization of Germany's threat to deprive Great Britain of the most-favoured-nation treatment. In the *North American Review* for July Mr. Harold Cox, Secretary of the Cobden Club, made the following referenee to the British policy of backing Canada in this conneetion: " And at what a cost! Ever since England adopted free trade, she has enjoyed the enormous advantage of most-favoured-nation treatment in all the markets of the world. Other countries worry about the details of eommercial treaties; England reaps the benefit. That is a primary advantage of her free trade position, which would disappear instantly if she embarked upon a tariff war for the benefit of a Colony which itself maintains a heavy tariff against her goods."

When the correspondence between Berlin and London, already referred to, was made public a debate took place in the House of Commons (July 23rd) on the initiative of Sir Charles Dilke. Lord Cranborne, Under-Secretary for Foreign Affairs, declared the position to be very clear. " We desired to be on good terms with every eountry but we put out Colonies before everybody. Germany and other countries must admit, however, that the fiscal relations between Great Britain and her Colonies was a domestie matter." Mr. Chamberlain, in his speech, traced the history of the Canadian Preference, the German retaliation and the British representations at Berlin. Then Canada had taken a hand through its Premier and M. Bopp in the way of an interchange of views—though not negotiations in any technieal sense. Hence it was that he had no record of these latter proceedings. German threats against Great Britain had followed but the attitude lately taken by the British Government as to their future fiscal policy had apparently changed German action and opinion. Negotiations, he added, were now pending between the Governments eoncerned.

Later in the year letters were exchanged between Mr. A. W. Black, a Radical M.P., and Mr. Chamberlain on the subject of Sir Wilfrid Laurier's negotiations with the Montreal Consul-General for Germany. Under date of Sept. 7th, Mr. Black asked about certain correspondence which had been made public at Ottawa in this connection and two days later Mr. Chamberlain replied that it had not been communicated to him and that he supposed the reason was its having had no practical result. He added that he had asked the Dominion Government to in future keep him informed of any such unofficial negotiations. Mr. Black used the situation to prove an argument that the Colonial Secretary was leaning upon a broken reed when he expected any permanent preference and elose relations from or with Canada.

On Sept. 30th, the German surtax went into force in Canada and, thenceforth, all goods imported from the German Empire were subject to one-third more duty than those from any other country. Dealing with the general question on Oct. 6th, the *Financial Times*, of London, declared that the British Empire could stand a fiscal war better than Germany. In 1897 the Empire imported from Germany £41,000,000 worth of goods and in 1902 £58,000,000 while the exports to Germany had only increased from £50,200,000 to £52,000,000. Speaking at Newport on Nov. 22nd, Mr. Chamberlain referred to this subject and to the German threat to penalize the other Colonies and the United Kingdom for standing together as an Imperial unit. Some remarks, he added modestly, had been made by a gentleman who was then a member of the Government. "Who has heard since then a single word about any further penalization?" On Dec. 12th the matter was settled so far as Great Britain was concerned by the German Reichstag adopting a fiscal measure which granted the most-favoured-nation treatment to the United Kingdom for a further term of two years and did not touch the matter of retaliation against South Africa for its Preference or of further action against Canada.

The Question of Empire Defence

As, to many minds, the problem of national or local defence is bound up with the wider question of Empire defence, it will be advisable to trace the general conditions and trend of thought upon this subject during the year in Great Britain and Australia as well as in Canada. One of the earliest comments in this direction was made by the Melbourne *Argus* on January 2nd. "So far as Australia is concerned, the Empire must be content for the moment with seeing her grow and become powerful; with seeing her provide for her own defence; with seeing her fortify ports and harbours as depots and arsenals for the fleets; with accepting some moderate vote towards the strengthening of the Australian squadron; and with the knowledge that in time of difficulty Australia will be a recruiting ground for the Imperial Army."

In the London *Times* of January 9th, appeared a letter from Mr. Arthur H. Loring, Secretary of the Imperial Federation (Defence) Committee, dealing with a series of articles which had appeared in the Melbourne *Age*, criticising the Australian contribution of £200,000 to the British Navy as involving taxation without representation. He pointed out that, in the Imperial Conference of 1897, Mr. Chamberlain had proposed the establishment of an Imperial Council, but that the Colonial representatives had declared existing political conditions quite satisfactory, while at the Conference in 1902 a similar proffer was made in the following concise words of the Colonial Secretary: "If you are prepared at any time to take any share, any proportionate share, in the burdens of the Empire, we are prepared to meet you with proposals for giving to you a corresponding voice in the policy of the Empire."

The main point made by Mr. Loring was that Great Britain

now guaranteed protection to the Colonies, and that no substantial change could be expected until representation was accepted as a condition essential to contribution. The *Times* commented upon this letter by declaring that the policy of the Admiralty was "based solely on the desire and resolve of this country to give every part of the Empire the best and most effective protection against over-sea attack which the resources at its disposal can afford"; and with the statement that the British people clearly understood that in matters of Imperial defence Colonial action must be entirely voluntary. "We can appeal to the moral sense of the Colonies and to their strategic insight, but we can appeal to nothing more coercive." On January 21st, Rear-Admiral Sir John Colomb, M.P., wrote to the *Morning Post*, declaring that "Australia is far in advance of Canada in recognizing her duty to maintain a fleet while the Dominion flatly refuses to give a penny, though possessing a mercantile marine nearly equal to that of the United States." Speaking in London on January 27th, Mr. Edmund Robertson, M.P., told the League of Liberals against Militarism that the late War had cost the United Kingdom £223,000,000 or £5 7s. 2d, per head, and the Colonies £2,000,000. Yet it was essentially an Imperial war, fought for purposes of Empire and not home interest. His conclusion was that "the burden of Imperial defence fell upon the people of the United Kingdom in a measure which had no definable and no defensible relation to their numbers, wealth, or local or personal interest in the Empire." He did not blame the Colonies in any way, but he thought they should know the facts. On March 5th, Mr. A. J. Balfour presented and carried through the Commons without opposition a Resolution declaring that "in the opinion of this House the growing needs of the Empire require the establishment of the Committee of Defence on a permanent footing." Hitherto, this had been a Cabinet Committee, but it was to now include the First Sea Lord of the Admiralty, the Commander-in-Chief of the Army and the heads of the Naval and Military Intelligence Departments, as well as the Premier and three members of the Government.*

Speaking at Sydney on Feb. 13th, Mr. G. H. Reid, Leader of the Opposition in the Commonwealth House of Representatives, deprecated the recent change in the Naval agreement with Great Britain by which Australian control over the fleet on its shores was eliminated. "Unless there was some control over this fleet, what was the use of calling it an Australian squadron? It would be infinitely better to pay the £200,000 into the Imperial Treasury. He looked upon the desire on the part of Australians to establish an Australian navy as one of the proofs that they were chips of the old block." On Mch. 4th, Colonel G. C. Kitson, C.M.G., formerly Commandant at the Military College, Kingston, told a Canada Club banquet that Canadians were not wanting in bravery but

* NOTE—Toward the close of the year Sir Frederick Borden, Canadian Minister of Militia and Defence, became a member.

in organization. "I can assure you that you might have to enter on a campaign under the greatest strategical disadvantages. You will be very lucky in Upper Canada if you have any ammunition at all. Your main lines of communication from east to west lie all along your frontier, and your only arsenal at Quebec is at the extreme end of the line. The American regular army is quartered on the frontier, and ready to make a raid on those lines of communication and, without a better organization, and without another arsenal in the interior, you will never be safe from these raids."

Meantime, on Feb. 12th, the Executive Committee of the British Empire League in Canada had passed a Resolution pointing to the contribution by other parts of the Empire for Imperial defence; declaring that the protection of Canadian coasts and ocean fisheries depended almost entirely on the Royal Navy; and expressing the opinion that in view of these facts and of the burden of not less than £30,000,000 per annum borne by the British taxpayer for the defence of the Empire it was not a dignified position for Canada to be in; and that until she "builds her own ships of war it would be proper in the meantime for her to contribute a fair and reasonable share towards the annual cost of the Navy of the United Kingdom." On March 10th, Senator A. P. Matheson, of Australia, addressed the Royal Colonial Institute upon the situation in the Commonwealth as to Naval defence. He favoured an Australian-owned squadron in Australian waters.*

Writing to Lord Aberdeen, the Chairman of the meeting, Admiral Sir John Colomb, M.P., referred to the pleasure of all Englishmen at the growing wealth and greatness of the Colonies and their growing wonder at the whole burden of defence being left by those communities to the British taxpayer. "Too much stress," he added, "cannot be laid on the fact that, strategically, the sea is one and, therefore, the fleet to secure it in war must also be one." The provision and maintenance of such a fleet should be of equal import to every part of the Empire. This matter of Imperial defence was discussed in the British House of Commons on March 18th in connection with the Naval estimates. Sir Robert T. Reid (Radical) pointed to the growing home expenditure and feared a revolt in public opinion. "While he agreed that the Colonies did not do too much for the defence of the Empire and thought they ought to increase their contribution he deprecated any attempt to put upon them any undue pressure. The people of this country must realize that probably for a long time to come they would have to bear the burden of these immense amounts practically alone." Mr. H. O. Arnold-Forster—destined in a few months to be Secretary of State for War—spoke very seriously of the Imperial burdens which Great Britain was bearing and the danger of a popular reaction against the taxation and responsibili-

* NOTE—These views were amplified by Senator Matheson in the *United Service Magazine* for June and July.

ties which it involved. They could only wait and hope for "more generous treatment at the hands of the Colonies."

As to local navies, "the smallest navy in the civilized world and the establishment required for it involved an expenditure year after year of a million pounds sterling." How much more effective it would be for Canada and Australia to help the Mother Country. In the House of Lords on March 27th, Lord Brassey spoke also of this fear of popular reaction. It was a dangerous situation. As to Colonial navies all history showed the difficulty of co-operation between separate or independent naval forces. But "until a plan of representation had been devised it was unreasonable to look to the Colonies for subsidies sufficient in amount to give substantial aid." In the London *Times* of April 13th, Lieut.-Gen. J. Wimburn Laurie, C.B., M.P., described his belief in this connection as one of representation in controlling policy in return for any share in bearing burdens. At present the Colonies were not really a burden to the Mother Country in this respect:

1. The large investments of Colonial capital in vessels which carry on the commerce of the Empire is a distinct benefit, because a distinct addition to the resources of the Mother Country.
2. The guarding and supplying of the naval bases abroad both in peace and war is an important contribution to the Naval defence of the Empire.
3. The disappearance of the whole Colonial mercantile marine would not reduce the naval expenditure of this country by a single shilling.
4. The benefits actually and directly conferred on the Colonial merchant shipping are not such as to justify the charge against the Colonies that they are receiving benefits at the expense of the home taxpayer and not giving value to them.

At the Colonial Club on Feb. 28th, Lord Strathcona said: "Perhaps, they were not quite ready yet to tax themselves heavily for the Imperial forces but when there was a necessity for it and when a practical proposition was put forward, Canada would not be backward in doing her duty." Sir Gilbert Parker addressed the Australasian Chambers of Commerce in London on May 26th. He described the Navy as primarily for the defence of commerce and, secondly, of coasts. Colonial commerce and prosperity would be ruined if England lost command of the seas. "This country could make no demand upon the Colonies for the Navy, but he suggested that a moral obligation on the part of the Colonies existed which could not be overestimated." If Canada depended upon the United States and the Monroe Doctrine in case of a great war the latter country might afterwards foreclose the mortgage.

He believed that the principle of contributing to the Navy by Canadians should be carried out. They ought to impress upon them that the Navy was a common navy, that it was a great and masterful machine, existing for the benefit of every portion of the Empire, and that their relations with England should be those of partnership and, though the Colonies might be minor partners they should assist to bear the costs within the boundaries of their profits and incomes.

THE RIGHT HON. LORD BRASSEY, K.C.B., D.C.L.
President of the Montreal Congress of Chambers of Commerce of the Empire.

CHRISTOPHER ROBINSON, K.C., D.C.L., LL.D.
Canadian Counsel before the Alaskan Boundary Tribunal.

Addressing a meeting at Fitzroy, Australia, on June 10th, Sir George Sydenham Clarke, Governor of New South Wales, dealt at length and from an admittedly expert standpoint with this subject. He described the British Empire as "the gift of the sea" and the direct product of British maritime supremacy. Upon the maintenance of this naval power its unity and strength now depended. He then referred to the £1,600,000,000 of Empire commerce upon the seas as compared with £96,000,000 in 1815. About this time Mr. Thomas T. Ewing, M.P., of Sydney, published a series of letters upon this question in the local papers and the London *Times* of June 12th contained the following extract from one of them:

> There are those who believe that a fleet locally owned and locally controlled will better protect the Australian continent than the great Imperial Navy. Identified with these are a small, but confident, minority, who favour the creation of an Australian Navy as a first step towards separation from the Mother Country. And there are those who, preferring the advantages which attachment to the Empire confers, believe that the safety of that Empire and of its several parts is best secured by a powerful Imperial Navy, the movements of which will not be fettered by divided control or local jealousies.

Upon this phase of the subject Sir Edmund Barton was explicit in moving the 2nd reading of the Naval Agreement Bill (granting £195,610 toward the maintenance of an auxiliary squadron of the Royal Navy in Australian waters) on July 7th. "We regard the Empire as one for purposes of naval defence. If we do not take that view we must accept the alternative that the Empire must operate by scattered units and lose the power of concentration and its Navy be, by so much more, open to defeat and capture in detail." Meanwhile, Mr. Ritchie, Chancellor of the Exchequer, in addressing the House of Commons on June 12th, said: "Having regard to the fact that so large a proportion of our expenditure was incurred in order to protect our Colonies, he agreed that we should have larger contributions from the Colonies than we received, and he regretted very much that Canada did not contribute anything at all to the defence of the Empire. He supposed that there was no part of the Empire which derived more benefit than did Canada from the expenditure which we incurred in connection with the Army and Navy." Writing to the *Daily News* of July 10th, Mr. Arthur H. Loring pointed to the following facts: "The population of the self-governing Colonies is 11,000,000, their sea-borne commerce is £277,000,000—nearly one-third that of the United Kingdom; their revenues amount to nearly half that of the United Kingdom; and their contribution to the maintenance of the Navy amounts to about one-hundredth part of its cost." He elaborated the subject still further in the September *United Service Magazine.*

Speaking to the Winnipeg *Telegram* of Sept. 14th, the Hon. T. A. Brassey made the following statement: "I recognize that it is perfectly unreasonable to expect the Colonies to contribute

any substantial sum to the defence of the Empire until constitutional arrangements are such that they can get a vote in the expenditure. But, owing to the development of the Navies of Russia, Germany and the United States, the naval expenditure of the United Kingdom has had to be very largely increased in order to enable us to retain command of the sea. The Colonies might, I think, under present conditions, however, give some help in providing the men who are needed to man the ships in time of war." In a speech at Cupar on Oct. 8th, Mr. Chamberlain referred to the growing greatness of the Colonies and said: "We have hitherto borne alone the burden of our great Empire; we have to look to them to share the burden with us as they have shared its privileges." Two important events occurred toward the close of the year in this general connection. The first was the introduction on Nov. 7th, and the ultimate acceptance by a large majority, of the Naval Agreement Bill in the New Zealand Legislature. Based upon the Australian Agreement which had previously become law it contributed £40,000 toward the maintenance of the Australasian squadron of the Royal Navy. The Premier (Right Hon. R. J. Seddon) stated in his speech that it was only a beginning and that the Colony hoped soon to defray the cost and maintenance of a first-class line-of-battle ship.

On Nov. 9th, it was announced in London that the Prime Minister, with the King's approval and after consultation with the Secretary for War, had appointed a Committee composed of Lord Esher, K.C.B. (Chairman) Admiral Sir John Fisher, G.C.B. and Colonel Sir George Sydenham Clarke, R.E., K.C.M.G., to advise as to the creation of a Board for the administrative business of the War Office—in other words the re-organization of the Army administration. About this time the Navy League issued a circular which pointed to the increases in naval expenditures of the great Powers between 1889 and 1902. That of Great Britain had been £10,000,000, France £4,000,000, Russia nearly £6,000,000, Germany nearly £7,000,000, the United States £11,000,000. Speaking in London, on Nov. 27th, Mr. Balfour referred to the dispersion of Imperial defences and the lack of cohesion and organization. As against this there was the readiness and loyalty of their scattered peoples. But to be at all safe certain things were necessary:

> You must have behind you the enthusiasm and the patriotism of a great people. That, if your cause be just, I think you can command. But you must also have an organization so elastic that it can use the enthusiasm of a great people to the best advantage and you will not have to improvise in time of war things which cannot be improvised. You cannot improvise guns; they take months to make. You cannot improvise a staff; they take years to educate. You cannot improvise officers. Mere enthusiasm will not give you trained experts, which you require. You can, with very little training and with a population like ours, and with an adequate organization, get that supplement to your permanent standing Army which is absolutely necessary, or would be absolutely necessary, if ever we were called to fight for our existence as a nation.

Canadian Views of Empire Defence

So far as the question of Imperial defence was discussed in Canada during the year, it turned mainly upon proposals for increased Militia strength and tentative discussions concerning some possible aid to the Navy, direct or indirect. Late in 1902 and early in 1903, Mr. H. F. Wyatt addressed a series of meetings in the Dominion as the representative of the Navy League, and formed branches of that organization at Montreal, Kingston, Ottawa, St. John, Halifax, Sydney, Charlottetown, Summerside and Quebec, together with a Ladies' Branch in Toronto. Speaking at Montreal, on January 9th, Mr. Wyatt made the following statement in the *Star:*

> In naval war there is from the nature of the case no such thing as local defence, and every dollar spent, and every man employed in such local defence, represents so much money and human energy wasted. The truth of this view becomes obvious when we remember that any fleet or combination of fleets, powerful enough to defeat the Imperial Navy in war, could have no possible difficulty in subsequently wiping out any local defence squadron which Canada, for many years to come, is likely to be able to raise. Moreover, any Canadian squadron, if limited to coast defence, would by that very fact evidently abandon, so far as it was concerned, the whole of the ocean-going commerce of Canada to an enemy's attack. For, clearly, a squadron off the Canadian coast would not be defending Canadian goods, exports or imports, on the seas of the world, thousands of miles away.

The Ottawa branch, organized on January 20th, included the Hon. Raymond Prefontaine, M.P., Minister of Marine, as Hon. President, Sir F. W. Borden, Minister of Militia, and the Hon. S. A. Fisher, Minister of Agriculture, as Hon. Vice-Presidents, and Sir Sandford Fleming as President. At Toronto, in the *News* of January 25th, Mr. Wyatt declared that every freight train from the interior to the sea, every elevator facilitating transport, every farmer or manufacturer employed in the production of goods for an over-sea market, was vitally interested in the adequacy of the Imperial Navy. "I have discussed with men, deeply interested in the shipping trade, and experienced in every ramification which that trade involves, the probable effect upon the Dominion of a defeat of the Navy by a hostile force. The consensus of opinion appears absolute that in such an event financial ruin and bankruptcy would be spread throughout Canada from sea to sea." Commenting upon suggestions of independent action in Naval construction, the Edmonton *Post* of January 24th deprecated such a policy as strategically unwise, as extravagant in detail and unnecessarily expensive, as breaking the thread of Imperial Unity on the sea and as preventing properly organized effort in time of war. Four days later Mr. A. E. Ames, retiring President of the Toronto Board of Trade, made the following deliverance on the general subject of defence:

> Regarding defence the course to be adopted lies with us and, speaking only for myself, I firmly believe that we will never receive nor deserve full respect from Great Britain until Canada either takes steps frankly for inde-

pendence, assuming totally the cost of her own defence, or quietly takes her place as one of the self-governing and self-respecting countries of the Empire, with full partnership in both the privileges and the burdens of Imperial concerns. It is an anachronism that England still furnishes the sinews for defence, and retains the domination over her associate countries in other than internal matters to the extent she does—an extent which has become illogical, and would be much more so if Canada should accept at once the dignity and responsibility of real nationhood.

In Winnipeg, on the same day, Mr. Wyatt organized another branch of the Navy League, with Lieut.-Colonel H. N. Ruttan as Chairman, and the Hon. H. J. Macdonald, K.C., as Vice-Chairman. In his address Mr. Wyatt pointed out that a defeat of the Navy would mean that the whole vast sea-borne commerce of the Empire would be swept from the seas of the world, and in that Canada had a stake of 50,000,000 tons. As to how the Dominion could best assist, he feared that a cash contribution was out of the question at present, and then referred to the Government's recent announcement upon the subject of a new force—Sir F. Borden's "nucleus of a navy."* It had since become known, said the speaker, that this force was to consist of a Canadian Naval Militia which was to receive its sea training in certain steamers to be provided by the Dominion Government. "Now, a similar scheme had been formulated some three years ago by the Toronto branch of the Navy League, with the difference that under that scheme the men were to be trained in reserve ships of the Royal Navy. This latter plan would save the Dominion Government all the cost of providing ships and guns, and would also ensure that the Canadian naval force should be used just exactly where it was most needed, namely, to strengthen the Royal Naval Reserve."

Mr. Wyatt spoke at Vancouver on Feb. 3rd, and at Victoria three days later. Thence he went to Australia, Hong-Kong and other Eastern points, organizing branches of the Navy League, and delivering many speeches upon the general question of Maritime defence.

Meantime, on Jan. 23rd, Mr. J. M. Clark, K.C., addressed a Liberal gathering in Toronto and urged that "while land defence could be satisfactorily arranged under the present system, common sense would show that, to secure the greatest efficiency, the whole Navy of the Empire must be under a single control. An Australian or Canadian Navy, under Colonial control, would be an absurdity from an Imperial standpoint—a useless waste of money." At the same time the principle of taxation without representation could not be forgotten and if Canada contributed to this system of defence she must also have some control. "It is scarcely necessary to say that to provide for the defence of the Empire is not to encourage militarism and jingoism. In fact, nothing would tend so much to preserve the peace of the world as the unity and strength of the British Empire. Weakness or dis-

* See *Canadian Annual Review* for 1902, pages 144-6.

union would invite attack, involving all the horrors of war. Imperial federation made for peace, and not for militarism." In connection with this question and the claim that if Canadians desired Great Britain to stand by them to the point of war in such matters as that of Alaska they should aid in the organized defence of the Empire, the Toronto *Star* of Jan. 26th, commented very frankly: "For our part, we think that if we were to receive all the strip of Alaska territory in dispute, it would be dearly bought at the price of our inclusion and incorporation into the Empire's military and naval system upon the terms discussed at the Colonial Conference." On the other hand, the Halifax *Herald* of Jan. 31st, expressed the following view:

> It is the duty of the Colonial journalist to point out that the conduct of the Colonies as represented by their Governments is ungrateful and unfair, is narrow and foolishly selfish, is shortsighted and without wisdom for the future. The Empire must be kept in a proper state for defence. As the eleven million British people who live in the self-governing Colonies are full participators in the liberty, the security, the glory of the Empire, so also should they be hearty participants in the work and cost of the defence of that Empire, and that this may be done in a regular and constitutional manner, they should seek for such an organization of the Empire that the present self-governing Colonies may be duly represented in the Imperial Councils.

In the London *Times* of Mch. 2nd Lieut.-Col. George T. Denison had a letter reviewing the situation largely from his special standpoint of developing and protecting the food supplies of the United Kingdom. An Army or Navy might be perfect in every respect but without food what service could it render! The starving electorate in Great Britain under certain possible conditions might even go so far as to let their Navy and Empire go in order to obtain food. Speaking in the House of Commons on Mch. 13th, Sir Wilfrid Laurier was quite explicit upon this subject. He felt that "we owe it to ourselves as a nation—as we claim to be—to assume our own defence." And the Canadian people would not grudge any necessary sum for that purpose. "But to spend money outside of Canada for military purposes is a proposition that the Canadian people, I believe, are not prepared to accept at this moment." In the South African War the action was not taken under any obligation or in the execution of any duty. And "we refused to be bound by it in the future" and that position he still maintained.

> I am aware that there are men, even in Canada, who use the argument that, because Canada is part of the British Empire, she should take part in the large expenditure necessary to provide the heavy armaments that Great Britain has to maintain because of her dominant position in the world. I can not see the force of that logic. It would imply that Great Britain and Canada were on a footing of equality, whereas we know that they are not on such a footing. Great Britain has powers that we have not. To mention no others, she has the treaty-making power which we have not. And the powers not being co-extensive, the obligations cannot be co-extensive.

The Victoria *Colonist* of March 18th took a different view. "It has been quite evident to thoughtful Canadians for some time that if Canada is to assert her position in the Empire, to claim what we are entitled to, an equality with our fellow Britons in the United Kingdom in determining the policy and destiny of the Empire, there must be an equality of responsibility as well as an equality of privilege. That no man should pay the piper who does not call the tune is the eternal verity upon which British liberty is founded. But the converse is equally true, that no man has any right to call the tune who does not help to pay the piper." Some five days from this date it was announced at Ottawa that the movement looking to an organized emigration of British Army reservists to Canada had been stopped because of the refusal of the Dominion authorities to allow the men to be available at any time for war service under the same regulations as applied to reservists at home in Great Britain.

Speaking in Toronto on March 23rd, Sir William Mulock, Postmaster-General, strongly deprecated "militarism," referred to the burdens of Europe in this respect and spoke of the mistaken ideas of those who would establish a standing military force in Canada or send a cash contribution to Great Britain for army purposes. Canadians' present duty and responsibility lay rather in the development of their own great country. "Canada not only recognizes her duty to maintain peace and order within her own territory, but has also given proof of her practical sympathy with the Mother Country in time of need, and it may be confidently assumed that the Canadian people in their own way, and according to their own ideas, will at all times be prepared to do what they conceive to be their duty both to themselves and to the Mother Country."

Upon this point the Toronto *Globe* of March 25th was emphatic. "There is no likelihood of our either establishing an expensive military force or sending a cash contribution for the maintenance of the British Army, and certainly no offer of representation, either in the Imperial Parliament or in an Imperial Council, would make either of these sacrifices more palatable than it now is." At a meeting of the Young Men's Liberal Club, Toronto, on March 29th, a Resolution in favour of supporting the Imperial Navy by the establishment of a Canadian Naval Militia was passed. A clause in favour of purchasing a battle-ship to present to the Imperial Government was dropped. Referring to some British criticism or rather suggestions as to Colonial aid in the defence of the Empire the Toronto *Star* of April 2nd, had this succinct statement: "It is fair enough. Canadians should have less to say or more to pay in connection with Imperial issues. We think the shortest and safest way out of it is to have less to say, thereby escaping taxation that will yield us no benefit."

In the House of Commons on April 20th, Sir Richard Cartwright referred to the requests that Canada should in some form

contribute to Imperial defence and expressed his preference for a means which the lessons of the Boer War should teach Canadians. "I believe that for a sum perfectly insignificant, barely half of the cost of the smallest standing army that any one could well propose to maintain, you could have in a few years, in Canada, a body of 500,000 riflemen able to give a good account of their enemy at a thousand yards and upwards. And I say that if you but train your people in that fashion you could provide a nucleus of a force through which a most substantial aid could be given to the Empire should it ever be imperilled."

Speaking at Hamilton on April 23rd, Sir William Mulock repeated his objections to "the fatal mistake of militarism" which had marked the history of older peoples. He spoke of the greatness of Britain, the power for peace which she was in the world, the strength of the silken tie which bound Canadians to her Empire and the necessity and desirability of the latter devoting themselves to the works of industry and the paths of peace. "Militarism is the enemy of true liberty and its adoption in Canada would go to weaken, if not to destroy, the bond of union now so firmly and happily uniting us with the great mother of nations." These views he repeated at the British Empire League meeting in Ottawa on May 19th, while Lieut.-Col. G. T. Denison spoke to the opposite effect and maintained that peace was best preserved by preparation for war. The Report of the Executive Committee of the League at this time declared that Canadians should either contribute to Imperial defence or else prepare to depend upon themselves in case of war. "Your Committee hold the opinion that it is only in combination with the Empire as a whole that the safest and least burdensome condition of national defence can be obtained." Dealing with this question and the current discussions in Great Britain the Halifax *Chronicle* of May 12th was emphatic:

> Even if it were Canada's duty to contribute to the armaments of the United Kingdom—which, we contend, it is not—any well-informed man of commonsense ought to know that the fulfilment of it with our present divided French and English population, would be absolutely impossible, however strongly some of us might desire it. In the name of sanity, then, as well as of common loyalty to the King, let there be an end of insolent demands with which we could not comply if we would, and would not if we could, because to do so would be to subvert our own constitution, overthrow the Dominion, and bring about Annexation.

To the Cadet Battalion in Toronto on May 29th, Major-General Lord Dundonald, spoke upon this point. "The true citizen of Canada considers it not only an honour but a positive duty to train himself to defend the flag which flies over him. This is not necessarily the encouragement of militarism." Where there was no standing army there must be training camps and the inculcation of discipline and this should begin in the schools. The Charlottetown *Guardian* of June 12th thought that in this matter "Canada is quite as well able to pay a million a year for national

defence as Australia is" and that the other Colonies had put her to shame by their contributions. At the Montreal meeting of the Congress of Chambers of Commerce of the Empire, Mr. George E. Drummond, on Aug. 17th, and on behalf of the Montreal Board of Trade submitted this Resolution: "That this Congress hereby affirms the principle that it is the duty of the self-governing Colonies to participate in the cost of the defence of the Empire."

At present, he pointed out, all that Canada did was to expend about $2,000,000 a year on the Militia, the Military College at Kingston, and other local matters and $150,000 a year toward the Imperial defences of Esquimalt, B.C.; though much allowance should be made, he thought, for the heavy railway expenditures of the Dominion amounting to $74,000,000. He favoured the gradual replacement of the British war-ships upon the Atlantic and West Indian stations, which had originally cost some $18,000,000, by Canadian-built and Canadian-manned war-ships under the control of the British Admiralty. Mr. Edward Gurney, of Toronto, seconded the motion and Mr. Damase Masson, of the Montreal Chambre de Commerce, moved an amendment declaring that the Colonies should rather devote their revenues to the development of their own resources and the provision of local self-defence; while retaining their own initiative as to the nature and mode of any future help to the Empire. Mr. H. A. A. Brault, of Montreal, seconded the amendment and after a brief speech by Mr. Charles Lancaster, of Liverpool, Lieut.-Col. Denison, of Toronto, moved the following compromise Resolution which was carried by acclamation: "That this Congress hereby affirms the principle that it is the duty of the self-governing Colonies to participate in the cost of the defence of the Empire; but the Colonies claim the privilege of keeping their own initiative as to the nature and mode of help which they agree to offer."

On Aug. 24th, a large meeting was held in Montreal under the auspices of the Canadian National League and addressed by Mr. Henri Bourassa, M.P., Mr. D. Monet, M.P., and others with the purpose of protesting against this Resolution. A lengthy motion was passed declaring (1) that Canada had never been a cause of conflict to the British Empire and was not likely to be; (2) that British policy had already caused two bloody wars with the United States when Canadian loyalty had saved the honour and integrity of the Crown; (3) that the Canadian people have provided for the defence of their own territory while Great Britain has benefited largely from the strategic value of Canadian transportation routes; (4) that Great Britain has to expend immense sums for the protection of her own trade while the increasing burdens in that respect bring no benefits to Canada; (5) that as to future wars "the tie which unites Canada to Great Britain presents as many dangers and inconveniences to us as it offers advantages." The Resolution concluded as follows:

This meeting declares that the Canadian people have in the past done more than their duty to ensure the maintenance of British power

in America; they refuse to assume further sacrifices to organize the defence of the Empire; and assert that the duty of the Colonies in this respect is limited to the defence of their respective territories.

Reviewing the situation on Aug. 18th, the Toronto *Globe* deprecated militarism, declared that it was "absurd to expect that any Foreign power is likely to menace us," spoke of the peaceful and commercial qualities of the American people, and thought the greatest service Canada could render to the Empire was "putting herself into a position of absolute safety and keeping herself in that position." Responsibility for sea-coast defences and the fortifications of Sydney, Halifax and Esquimalt might very well be assumed. On Sept. 4th, the St. John *Gazette* declared that Canadians were "willing to contribute to the general defence as Australia, New Zealand, and South Africa are now doing." In the Toronto *News* of Sept. 19th Colonel Denison was interviewed on this subject and pointed out that the Canadian surplus this year was $14,000,000 and the expenditure upon defence $2,000,000 while in the United States they were preparing to spend $100,000,000 additional on their Navy. He urged that something should be done, especially in the promised establishment by the Government of a Naval Reserve system.

> Why should Great Britain make trade sacrifices for us and spend nearly £100,000,000 this year for defence, almost £32,000,000 of it being for the Navy which defends our commerce, if we persistently refuse to help in the slightest degree; to guard our own coasts or shipping; and even neglect to put our own defences into a condition even moderately efficient? Why should the British people desire to enter into a combination or partnership with us if we show them that we are either too mean to spend the necessary money for defence, or too stupid to see the necessity of it."

The *News* itself supported the idea of a contribution to the Navy on Sept. 21st, and at other dates. There should be both a direct contribution and the establishment of a Naval Reserve. "The argument that we should control the expenditure need not apply. No system has been devised of giving us a voice in the expenditure, and for shame's sake and need's sake, we must do something to help the Navy on which our national scheme of existence depends. The money will be freely given; it will be voted by our Parliament; the grant can be discontinued at any time; it will be no more an invasion of constitutional practice than the handing over of a lump sum of money to a contractor who engages to do a certain work. A contribution to the Navy is Canada's next step forward in Empire building." At a meeting of the Toronto branch of the British Empire League on Sept. 24th, a Resolution supporting the Naval Reserve idea was passed and on Oct. 14th the United Empire Loyalists Association passed a motion urging the assumption of "a reasonable share in the responsibilities of the Empire." In a circular letter written on Oct. 24th by Mr. H. J. Wickham, Secretary of the Navy League, their position was stated

as being that "centralization of command for fighting purposes does not and need not involve centralization of administration for the purposes of maintenance."

In the *Christian Guardian* of Nov. 4th, the Rev. J. C. Speer, of Toronto, favoured a contribution of $5,000,000 to Imperial defence; at a meeting in Toronto on Nov. 18th Mr. Bourassa, M.P., urged his views against any aid on the ground that Great Britain would never go to war with the United States and that Canada was not menaced from any other quarter; at the Canadian Club in the same City on Nov. 16th, Colonel Denison pointed out that the expenditure on defence in Great Britain was, ordinarily, $7.00 per head, in the United States, $4.25, in France $5.22, in Germany $2.70, in the Netherlands $3.24, in Canada 41 cents; at a political meeting in Toronto four days later Mr. T. C. Robinette, K.C., urged the construction and manning of a battle-ship for the Navy; at the Canadian Club on Nov. 23rd, Mr. E. B. Osler, M.P., opposed any direct contribution to Imperial defence but urged more efficient local arrangements; and at the Mulock Club on the same date Mr. J. M. Clark, K.C., repeated his views favouring responsibility and representation in this connection. Writing on Nov. 18th, to an English correspondent in connection with some statement made upon a political platform, Sir Wilfrid Laurier agreed with Mr. Chamberlain's answer to the charge and said: "There never was in Canada a scheme on foot to contribute any sum toward Imperial defence." Speaking at Ottawa on Dec. 7th, the Hon. Mr. Sifton, Minister of the Interior, opposed Colonial representation in a London Parliament and did not approve of a contribution to the Navy.

> Canada needs no protection at sea, but I think she does by land, and I think there is no Canadian citizen but will say that Canada should be prepared to assume her duties and responsibilities in that direction and I am glad to think that Sir Frederick Borden is receiving the support of both parties in the House in his plans for the betterment of the Militia. But what is our Militia now as compared with any army. Great Britain had 300,000 men under arms at one time in South Africa. In Canada I think I am not indiscreet in saying that we have not 100,000 rifles. But we do not want a standing army in Canada. What we do want is to be able to make it interesting for any people invading Canada.

At a banquet in Vancouver on Dec. 17th, Lord Dundonald, who had just returned from Port Simpson, declared that the Alaskan Award and the two Islands given the United States did not strategically affect that Port. The only Power which could shut up that Port would be the country which held command of the sea. "All the ports of the British Empire are open and will always be open to the commerce of the world, not by the kind permission, nor by the good-will or the bad-will of any Foreign power or any two Foreign powers, or any three Foreign powers, but because the Union Jack, which is flying here in Vancouver, and which is flying all over the sea-coast ports of Canada and the Brit-

ish Empire, is the flag flown by the most powerful Navy the world has ever known."

At a meeting of the Quebec branch of the Navy League on Dec. 22nd, a growing membership was shown and a Resolution passed in favour of a Naval Reserve and of an Imperial Navy in which any Canadian force should act as an integral part. Meantime, the *Canadian Military Gazette,* the Stratford *Herald,* the Hamilton *Herald,* the Ottawa *Citizen,* the Rossland *Miner,* the Montreal *Witness,* and the Winnipeg *Telegram* were amongst the papers declaring in favour of some kind of contribution to Imperial defence.

The Government and Imperial Defence

In this connection it was generally understood during the year that the Hon. Mr. Prefontaine was preparing a plan for the establishment of a Naval Militia in fulfilment of suggestions made at the Coronation Conference. In the *Globe* of April 2nd, the proposal took the form of three cruisers to be used as training ships and to be stationed on the Atlantic and Pacific coasts and in the great lakes respectively. Speaking at Montreal on Oct. 22nd Sir Frederick Borden, Minister of Militia, intimated that the Government intended to establish a Military School at Montreal for young officers. After a reference to the voluntary services of Canadians in the South African War he spoke of the principles controlling Canada's share in Empire defence as follows:

> I insist upon this, at any rate, and I have no hesitation in saying it, that if the people of this country should see fit to expend money for military purposes or for purposes of defence they shall have control of the money themselves, and shall not hand that money over to anybody, whether it be the War Office or the First Lord of the Admiralty, to spend for them. That is a principle which I lay down as a Canadian, and I believe that it is a sound principle. If we are able to defend our own country, we contribute better than in any other way to the safety, maintenance and integrity of the Empire.

This deliverance the Toronto *Globe* of Oct. 24th heartily endorsed. Meanwhile, there had been the usual desultory discussion in the press as to the appointment of a Canadian to command the Militia and early in the year it was announced that Sir F. Borden would introduce such a measure during the ensuing Session. This was done in due course but Mr. Chamberlain asked that its actual consideration be postponed until the Minister of Militia could have a conference with the War Office authorities upon the subject. On Nov. 24th, the Minister received a cable asking him to go to England in this connection.

In England, Sir Frederick Borden made some important arrangements with the War Office. It was agreed that in the new Militia legislation all reference to the position of the Officer Commanding at Halifax should be eliminated from the clause in the Act which now reads as follows: "Whenever the Militia or any part thereof is called out for actual service by reason of war,

invasion, or insurrection, His Majesty may place them under the orders of the Commander of his regular force in Canada." In the clause dealing with the command of the Militia and declaring that "there shall be appointed an officer who holds the rank of Colonel, or rank superior thereto in His Majesty's regular Army," it was decided to remove the restriction as to Army rank. It was also announced that Sir F. Borden had accepted a position upon the Committee of Imperial Defence and on this point the Toronto *Star* had some articles which indicated a somewhat changed tone of thought—following apparently upon the United States and Panama incident. On Nov. 28th, it said:

> Intelligent and effective co-operation with the Home authorities is quite another matter. This is precisely what the appointment of Sir Frederick Borden to the British National Defence Committee is intended to do. The closer we can get to the Imperial War authorities, the better. They can give us experience and we can give them of our spirit of initiative and ready change. Thus, the Colonial troops can be prepared to act as parts of one Imperial whole. The various sections of the great machine can be made to fit.

Two days later it told Sir Frederick that "this country is enthusiastically in favour of British connection and stands quite ready to take up its fair share of the burdens which the enjoyment of that position entails." On Dec. 25th, the Minister of Militia arrived at Ottawa and was at once interviewed—especially upon the cabled rumour that he had agreed to the sending of a Canadian regiment to India. He intimated that a suggestion of this kind had been made by Mr. Arnold-Forster and continued as follows: "Such a move would give an opportunity to ambitious young Canadians who desire to see service abroad. It would enable some of our young officers and men who are fond of soldiering to get experience and there is no better country in the world than India for that. Of course it would be absolutely voluntary on their part. The great difficulty would be what to do with then when they returned. I told the Secretary of State for War that I would discuss the matter with my colleagues."

He went on to say (*Globe*, Dec. 26) that the Imperial authorities were disposed to find places for some Canadian officers in the Staff College and he thought it possible that some arrangement might be made for interchanging officers. He had been honoured by his appointment as an *ex-officio* member of the Imperial Defence Committee. At the meeting called to discuss these matters the Premier presided and there were present Mr. Lyttelton, Secretary for the Colonies, Mr. Arnold-Forster, Secretary for War, Lord Selborne, First Lord of the Admiralty, Mr. St. John Brodrick, Secretary for India, and a number of distinguished naval and military officers. The proposed changes in the Canadian Militia Act were discussed and agreed to and the Minister summarized them as follows:

One amendment omits from the Militia Act all reference to Naval Militia, which will be transferred to the Department of Marine when established. This is done on the strong recommendation of the English Admiralty. A second amendment removes the present disability which prevents any officer but one in the English regular Army of a rank not lower than Colonel from taking command of the Canadian Militia. The position will now be open to any officer in the British Empire of the proper rank. The third amendment removes the anomaly, which formerly existed, under which an English officer took precedence of a Canadian officer of the same rank, even although the former might be junior to the latter on date of appointment. Hereafter precedence will depend in the case of officers of the same rank upon the date of appointment. The fourth amendment puts an end to the provision under which the Officer commanding the regular troops at Halifax was to take command of the Canadian troops in time of war, although he might be junior in rank to the Canadian General. Hereafter the command in the event of war will depend upon rank and seniority.

Food Supply in Time of War

One of the Imperial matters discussed in the early part of the year was that of the available supplies of food for the United Kingdom in the event of war. On Feb. 2nd a Manifesto was issued to the press by an Association formed "to promote an official inquiry into the security of our food supply in time of war." It was signed by the Duke of Sutherland, K.G., as President, Lord Strathcona, G.C.M.G., as Chairman of Committee, Mr. Alfred Emmott, M.P., as Vice-Chairman, Lord Aldenham, as Hon. Treasurer, and by a Committee of most representative noblemen and gentlemen and officers of the Army and Navy. Their appeal to the Government to appoint a Royal Commission of Inquiry was based upon the fact that three-fourths of the food of the British home population was dependent upon supplies imported from abroad and liable to capture in war time; that any question as to the sufficiency of the Navy in this connection involved a possible heavy rise in freights and increase in the price of bread; that the risk of untold suffering for the poorer classes in case of threatened or actual war was too great to be longer over-looked.

Two days later a meeting of the Association was held with the Duke of Sutherland in the chair. A Resolution was passed upon motion of Admiral Sir J. O. Hopkins and Lord Strathcona asking the Prime Minister to receive a deputation upon the subject. Mr. Chaplin, M.P., referred to the British home production of 6,000,000 quarters of corn instead of 16,000,000 as during the Crimean War. "The home supplies, especially of corn, the reserves of food, if they could be called so, within the country were a mere bagatelle compared with our requirements for any appreciable time" and he was informed that the situation was growing worse. Mr. Emmott, M.P., declared the question of food supply to be a part of the great question of Imperial defence. Admiral Sir M. Culme-Seymour pronounced the Navy inadequate to protect the entire food supply of the country and considered the membership of some fifty distinguished Admirals in this Association as proof of the fact. On Feb. 16th, the *Daily News* published a list

of 120 Trades Councils which had passed a Resolution declaring that in the event of Great Britain being involved in a European war bread would rapidly rise to famine prices and asking for inquiry as to means for averting the danger. At a Mansion House meeting on Feb. 27th, with the Lord Mayor in the chair and an attendance which included the Duke of Argyll, Lord Esher, Earl Grey and Admirals Sir Leopold McClintock, Sir Vesey Hamilton, Sir J. O. Hopkins, etc., the following Resolution was passed:

> That in view of the dependence of the United Kingdom upon other countries for its main supply of food, including four-fifths of the bread which it annually consumes, this meeting is of opinion that a Royal Commission should be appointed to inquire whether the certainty of our food supply in time of war is sufficiently assured to meet the needs of the population, especially the poorer classes, and if not, what measure or measures are required to secure that end.

Mr. J. H. Tritton, President of the Institute of Bankers, pointed out that 20 millions of the population of the United Kingdom were wage-earners and seven millions were, admittedly, not earning more than 23s. a week. There was, consequently, no margin for an increase in the prices of bread or food generally. "The leading corn merchants were of the opinion that in the event of war bread would speedily be at famine prices. The food supply was, therefore, a question of life and death to the wage-earners and it affected our fighting forces as much as our civil population." On Mar. 5th, Mr. Balfour received a large and representative deputation upon the subject. Amongst the speakers were Mr. Chaplin, M.P., Sir Robert Herbert, Admiral Hopkins, and Mr. Tritton.

In his reply the Premier spoke of the undoubted fact of dependence upon foreign countries for the people's food supply and for raw materials for the national industries as well. But he thought the real issue was not the absolute exclusion in war-time of food or raw material but the capacity to pay the cost. "It is a question, ultimately, of price and the question is also, ultimately, a question of insurance." In case of war he admitted the possibility of single captures of ships and the certainty of a rise in insurance rates. He did not fear much from a breaking of the laws of nations regarding war and he believed there would be plenty of neutral ships for the carrying of food. Corn had been at famine prices before, or at the figures mentioned as involving great suffering, without the perils of war. He promised that the inquiry should be made and thought it would allay some of the fears expressed.

The Premier suggested two warnings in a future connection. One was that in trying to prevent an excessive rise in corn during war they might effect a considerable increase in time of peace; and the other was that nothing should be done to establish Government machinery which might hamper the natural commercial machinery by which the country was supplied. Dealing with statements made by members of this deputation that there were at times only a fort-

night's supply of corn available for the consumer, the Editor of *Beerbohm's Corn Trade List* published the following figures of wheat and flour in port stocks, in millers' stocks, in farmers' stocks and afloat for the United Kingdom, at three month periods, during the three past years: *

	1900 Qrs.	1901 Qrs.	1902 Qrs.
Jan'y 1	11,510,000	11,350,000	9,750,000
Mar. 1	9,925,000	9,625,000	8,500,000
June 1	9,000,000	8,520,000	9,450,000
Sept. 1	14,095,000	14,250,000	13,600,000

As the annual consumption of the people is about 31,000,000 quarters this would mean four or five months' supply constantly in sight. As to the amount actually afloat—from two to three million quarters—it was assumed that the greater bulk of it would be sufficiently protected to reach port in safety. On April 20th, the names of the Royal Commission to inquire into the conditions affecting the importation of food and raw material into the United Kingdom in time of war, were announced. They included H.R.H. the Prince of Wales, Lord Balfour of Burleigh (Chairman), the Duke of Sutherland, Lord Burghclere, the Right Hon. H. Chaplin, M.P., the Right Hon. J. L. Wharton, M.P., Vice-Admiral Sir G. H. C. Noel, Sir John Colomb, M.P., Sir Alfred Bateman, K.C.M.G., Sir H. Seton-Karr, M.P., Professor Erskine Holland of Oxford, Mr. H. H. Cunynghame, C.B., of the Home Office, and Messrs. E. Robertson, M.P., A. Emmott, M.P., J. Wilson, M.P., A. S. Harvey and J. E. Street. On Sept. 14th, the *Times* drew attention to the question of available food not under Foreign control. "When this question is asked, we are at once confronted with the fact that, in the vast regions of the British Dominion in the North-West of America, we possess a practically limitless area for the growth of corn, which, if duly developed, might render us independent of any other supply." In the *British Empire Review* for November, Lieut.-Col. G. T. Denison of Canada summarized the situation in 1902 as follows:

Grown in the United Kingdom.....	6,270,000 qrs.
Imported from British Possessions.....	6,000,740 qrs.
Imported from Foreign Countries.....	17,458,095 qrs.
Total consumption	29,728,835 qrs.

He asked how the British Navy could guard all the sea routes from the United States, Canada, Argentina, India, Australia, Roumania, and other sources of food supply. Yet Great Britain must command the sea or the enemy would command the food. He claimed that the Empire was in this respect at the mercy of any two great Powers and urged the encouragement of wheat-growing in the United Kingdom and in Canada through a system

* NOTE—The *Standard*, London, March 10th, 1903.

of Preferential tariffs. The imposition of 4s. a quarter on Foreign grain and half that amount on Colonial would not cost more than £3,000,000 per annum. "A reduction of half the tea duty would about cover this, or a third of the tobacco tax, or a tenth of the spirits and beer tax, and is it not worth the change? The United Kingdom this year spends £100,000,000 on the Army and Navy, but refuses to spend anything, or do anything, to provide safe food. This expenditure is, therefore, practically wasted if food is not supplied."

Mr. Chamberlain's visit to South Africa

From a Canadian standpoint the tour of South Africa made by Mr. Chamberlain, between the period of his departure from England on November 25th, 1902, and his landing at Southampton on March 14th, 1903, was notable for the deep Imperial feeling in his speeches; for various references to Canada and Canadian development; and for being one of the elements in educating the South African Colonies up to the Preferential tariff idea and of training his own mind in that direction. As the first Imperial and official tour of a Colonial Secretary it was a remarkable incident and, as Mr. Chamberlain passed through Natal, Cape Colony, the Transvaal and the Orange River Colony, he unquestionably did much to soothe the asperities of racial feeling besides touching the Imperial imagination at home and organizing the future policy of government in that region. He spoke at Pietermaritzburg, Johannesburg, Pretoria, Pochefstroom, Ladysmith, Lichtenburg, Sunnyside, Mafeking, Cape Town and other places. In a speech at Kimberley, on January 30th, he referred to the enormous responsibilities and burdens of the Motherland and to the necessity for future organized action:

> You are invited to share the privileges and glories of the Empire which is yours as well as ours, and was made by your forefathers as well as ours; and you are also asked to share the burdens of the Empire. If I have ever been in any doubt as to what answer you would give, it has been removed by my experience since I have been in South Afriea. There is a small minority in the United Kingdom and elsewhere which is apt in great questions of policy to haggle about the cost. A conception of Empire will not be gained if treated in a huckstering spirit. The Empire is a great and priceless possession which we cannot weigh in balances, putting so much empire against so much gold. My opinion is, that the people of the Colonies will resent any imputation on their loyalty to this great ideal, and will feel no sacrifice too great to maintain their fundamental position. A Canadian statesman has said that the British are now one people, animated by one spirit, and that they shall in future stand shoulder to shoulder in support of their common interests and common rights. That is the tone in which the matter should be treated. I call on the Colonies to sustain it to the end.

At Grahamstown, on February 10th, Mr. Chamberlain spoke very plainly upon a number of important points. He feared that at times the Colonies were a little too provincial. "They are so much occupied with their own affairs that they lose sight of the great system of which they are only single stars." The greatness of the Empire was not altogether a subject for boastfulness. Its

burdens and responsibilities were immense. "We will bear it, but there is a limit to this. I say, not to you alone—I hope my words may reach the self-governing Colonies—that while they are beginning to appreciate the privileges of the Empire and its obligations, they are not doing all they ought." He referred with appreciation to the recent sum of £50,000 a year voted by Cape Colony toward Imperial Navy expenses, but pointed out that the annual cost of the South African Squadron alone was £400,000. Speaking in London, on March 20th, Mr. Chamberlain dealt with the objects, experiences and results of his tour, and referred especially to the value to British public men of such visits as the one he had just paid. He then proceeded to speak in a manner which the events of a couple of months were to render very significant:

> I have felt for some time that this is a critical period in the history of the Empire. What we do now and what our Colonies do will probably in the course of the earlier years of this century settle for all time the question whether a new Empire such as has never entered into the conception of man before—an Empire bound together by invisible ties, and yet of extraordinary strength—whether such an Empire shall be consolidated and maintained, or whether we are to drop apart into separate atoms, each caring only for our local and parochial interests. The Imperial idea has only recently taken root in this country. We have to look back to the lifetime of many of us to remember a period of apathy and indifference in which our statesmen were eager chiefly to rid themselves of responsibility, and felt that home affairs were as much as they could properly be called upon to attend to. At that time our Colonies were calling in vain for our sympathy. Now we have gone ahead. Now, I think, we are perhaps even in advance of our Colonies.

The new conception of empire, to his mind, was "a voluntary organization based on community of interests and a community of sacrifices to which all should bring their contribution to the common good." And this idea required development in Colonial minds as well as in those of the people of Britain. These and other speeches, though only reported in fragmentary forms to Canadian papers, created much interest and many comments. To some of them—as the London *Free Press* of February 28th—Mr. Chamberlain was the "master empire-builder," and no praise was too great for his personal capacity, strength and breadth of mind and Imperial insight. To quote the Victoria *Colonist* of March 20th: "We have a common end and a common purpose and in Mr. Chamberlain an inspiring voice worthy of the great cause to which he has devoted his life, and which has elevated him so far above the monotonous level of controversial politics." In this latter respect, however, there was soon to be a great change.

South African Customs Union and Preference

Of much importance in connection with this visit and future developments was the meeting of the Bloemfontein Convention during the middle of March. It comprised representatives of Cape Colony, Natal, Orange River, the Transvaal and Southern Rhodesia, and fought out, very vigorously, the question of

protection versus freer trade. The three first-named Colonies inclined to the former and their programme included an increase of *ad valorem* duties under the proposed Customs Union to 12 per cent. with a slight rebate in favour of British goods; special duties on over-sea tea and sugar as a protection to Natal interests; protective duties on manufactures, and the maintenance of differential railway rates on over-sea meat, grain and flour. The other policy looked to a practical abolition of duties on food stuffs and clothing, the establishment of a moderate tariff on everything else except luxuries, the abolition of transit dues from the coast and of differential railway rates.

On Mch. 23rd the Conference concluded its discussions with a draft Customs Convention which was signed by the representatives of all five Colonies and provided for the preferential treatment of British goods and of the products of such other Colonies as might grant reciprocal privileges to the products and manufactures of South Africa. It was also decided to reduce railway rates throughout the Colonies on all through shipments. The Convention was to come into force on July 1st. On Mch. 27th, a despatch in the London *Times* announced that the British preferential rates would amount to a 25 per cent. reduction on the *ad valorem* tariff with special preferential terms for mining and other machinery. British Colonies were to benefit to the same extent upon making reciprocal concessions. By August all the South African Colonies had agreed to the Convention though at the Cape the opposition was very keen. On June 29th, the Hon. T. L. Graham declared in its Assembly that the Government would accept no amendments and would stand or fall by the Convention. He considered it a first step toward the federation of South Africa and ultimately of the Empire. Eventually, it was passed without division after the defeat of a proposal for new negotiations by 45 to 39 votes.

On Oct. 28th, following this preference to the countries of the Empire, it was announced at Ottawa that the Canadian Government had decided to reciprocate by applying its Preferential tariff of 33⅓ per cent. to the Colonies of the South African Customs Union. Meanwhile, the Cape Legislature had been dissolved on Sept. 8th and the Government of Sir J. Gordon Sprigg had appealed to the country. On Sept. 13th, Dr. L. S. Jameson, C.B., Leader of the Progressives and in opposition to both the Prime Minister and the Bond, issued a Manifesto which included the following sentence: "The great object before us is a permanent settlement under the British flag, the reunion, contentment, and prosperity of the people, the maintenance of our position as an integral portion of the British Empire, constant endeavour to cultivate relations with the neighbouring Colonies, and by co-operating with Lord Milner to prepare the way for early Federation." On Sept. 15th, Dr. Jameson made a speech at Grahamstown pledging himself vigorously and hopefully in support of Mr. Chamberlain's policy and of a due contribution to

Imperial defence. Only the returns for the Legislative Council came in before the close of the year and on Nov. 17th it was stated that a Progressive majority of one in that House was assured.*

The Imperial Budget and the Corn-Tax

The British Budget of April 23rd, 1903, was important to the Empire because of the repeal of the duty of 5d. per cwt. on grain and flour and the fact that the heavy taxation of the year was due in the main to the recent War. The speech of the Right Hon. C. T. Ritchie, Chancellor of the Exchequer, showed the cost of the South African War to have been $1,085,000,000; the average of taxation to be £3 5s. 8d. per head or very nearly that of the country after the Napoleonic wars; the sum of $795,000,000 to have been added by the War to the National Debt; the current deficit (1902-3) to be $164,000,000; the estimated expenditure for 1903-4 to be $719,770,000; and the estimated reduction of the income tax to be from 1s. 3d. to 11d. in the pound. In referring to this latter remission, Mr. Ritchie dealt with the Corn-tax which he described as a tax upon raw material and the food of the people; as being inelastic and subject to misrepresentation.

In following, Sir William Harcourt declared amid Opposition cheers, that "the Government might preach about Empire but it was not the Empire which paid the bill; it was little England." On April 29th, Mr. Ritchie stated that the Corn duties had realized £2,346,796 for the fiscal year 1902-3. The abolition of the tax the *Times* criticized severely and on April 24th said: "That duty was imposed last year by Sir Michael Hicks-Beach on grounds partly of urgent necessity, but also in large measure on grounds of high financial policy. He defended it, not merely in view of the war, but also in view of the inevitable increase of ordinary expenditure and the importance of broadening the basis of taxation. It has not proved oppressive, for the price of bread is now lower than when the duty was imposed, and the basis of taxation certainly needs broadening as much as ever." The *Morning Post* took the same line as did the London *Globe*. The Liberal and Radical press hailed the action as a great victory for free trade and the elimination of Colonial preferential duties as even a possibility. Amongst Conservatives opinion was divided and signs were visible of the divergence which later on broke up the Unionist alliance. In the Colonies, and especially Canada, the action was regarded as a distinct blow to the cause of closer commercial and fiscal relations and as an evidence that Mr. Chamberlain was being overmatched in the Cabinet so far as numerical support was concerned.

In the House of Commons on June 9th, a prolonged and important debate took place upon a motion by Mr. Henry Chaplin favouring the retention of the Corn-tax and which was lost by 424 to 28—the Irish and the Liberals supporting the Government in their action. Sir M. E. Hicks-Beach defended his original imposition

* NOTE—Early in 1904 it was found that the House also had a Progressive majority, and the hero of the Jameson Raid took another step in his interesting career by becoming Prime Minister of Cape Colony.

of the tax when Chancellor of the Exchequer, declared it to have proved a successful measure and expressed the belief that it had not raised the price of bread. He thought it should have been retained, as was at first intended, so as to be a permanent and much-needed addition to the sources of indirect taxation. If, however, the action was taken as a direct intimation that no Colonial preference could be given then much in the action was worthy of support.

> Why, sir, year after year, as Chancellor of the Exchequer of this House, acting with the fullest authority of my colleagues, and without a whisper of disagreement from any of them, I opposed a Colonial preference, first with regard to wine, though pressed upon us by the Australian Colonies ; secondly, with regard to tea ; thirdly, with regard to sugar ; and only last year with regard to corn and flour.

Mr. Ritchie followed and thought there was no harm in the question of Preferential trade with the Colonies being inquired into. And then he continued amid loud and prolonged Opposition cheers: "For my part, I shall be surprised if inquiry can show any practical means of carrying out this policy. I avow myself a convinced free trader, and I do not share the views of those who think that any practical means can be devised for overcoming the difficulties which present themselves to me in connection with this matter." Various other speeches were delivered and many references made to Mr. Chamberlain's recent enunciation of policy and, on June 10th, the Premier spoke at some length in an effort to combine the obviously jarring factions in his party and Government.

Speaking at Sleaford on June 15th, Mr. Chaplin strongly denounced Mr. Ritchie in this matter as having brought ridicule upon the Government, retarded the success of Mr. Chamberlain's great Imperial proposals, and antagonized many supporters of the Government and party. The subject was again debated in the House on June 22nd when Mr. Ritchie and Mr. Winston Churchill devoted themselves to proving that the Corn-tax did raise the price of bread and was a real burden upon the people. In the House of Lords on July 31st, the Earl of Camperdown said that he had carefully examined the Board of Trade returns of the past 12 months for London and 25 of the larger Provincial towns and had only found one change in the price of bread. Earl Spencer argued that there was nothing to show that the price might not have been lower without the tax. Lord Onslow thought the tax had been "a considerable burden upon farmers and those who had to import grain and food stuffs for cattle."

Imperial Incidents and Opinions

Leading up to the central event of the year, in an Imperial sense, were various other and minor developments or expressions of opinions. An important indication of fiscal views was given in connection with the ratification of the Sugar Bounties Convention with Germany and other European countries when, on January

13th, Lord Lansdowne sent a despatch to the British Ambassador at each of the Courts concerned, with the following explicit and categorical statement of position :

> The attitude of His Majesty's Government in regard to the matter has never varied. They have declined altogether to agree that Great Britain should be under any obligation to treat the British Colonies as foreign countries. The British Delegates at the Brussels Conference repeatedly and formally declared that the fiscal relations between Great Britain and the British Colonies and Possessions must remain outside the Convention, and that in no circumstances would a penal clause be applied in the United Kingdom to British Colonial Sugar. These declarations are recorded in the *procès-verbaux* of the 2nd, 5th and 7th sittings, and are most explicit.

Speaking at Birmingham, on January 6th, Mr. Austen Chamberlain told the Colonies that henceforth " their interests are our interests." At South Queensferry, on January 16th, Sir H. Campbell-Bannerman deprecated so much talking about Empire. " Let us see that we are fit to discharge our duties, and we will get quite enough to occupy our attention in the condition of our people at home." Before the Royal Statistical Society, on January 21st, Mr. T. A. Brassey, ex-M.P., urged a Federal system for the United Kingdom with application to the Empire when its constituent elements were ready for the policy.

Speaking in the House of Commons on March 3rd, and in reply to inquiries as to practical results from the Colonial Conference of 1902, Mr. Austen Chamberlain deprecated anything but " free and spontaneous offerings from the Colonies," or any attempt to impose further contributions upon them. " The great Colonies, with their own representative institutions, are in truth sister nations, practically independent of us, but bound to us by a tie of sentiment and affection that had proved of great value to us in recent years, and which, he believed, met in a similar spirit in this country, would stand any strain that future events were likely to put upon it." A little later, on March 17th, a motion was presented by Messrs. C. McArthur and Evelyn Cecil to the House of Commons declaring that recent developments of fiscal and commercial policy in Foreign countries called for " the serious consideration of His Majesty's Government in concert with the Colonial Governments, when necessary, in order to safeguard the trade of the Empire." After a brief discussion the House was counted out.

At Wandsworth, two days later, Lord Avebury—better known in Canada as Sir John Lubbock—urged the future development of a real Imperial Force, one belonging to the whole Empire with an Exchequer supported by and belonging to the Empire. " The present state of things is not satisfactory and cannot be permanent. For my own part I should be prepared to support any well-considered plan by which our Foreign Minister might have a Council representing the Colonies to advise with him on the Foreign relations of the Empire, and even, perhaps, ultimately to preside over legislation of an Imperial character—that is to say, affecting

the whole Empire." He concluded by urging an Empire based on peace, not upon war. Speaking to the United Club, London, on March 25th, Sir Robert Finlay, the Attorney-General, declared that "we have begun to recognize that the United Kingdom is the head of a great federation, linked together by sentiments of loyalty to the Crown; fast bound together by chains which are invisible, but which are yet stronger than hoops of steel." The Imperial spirit of the British people had, he believed, grasped the situation, and "the Little Englander will soon be as extinct as the Dodo." Before the Royal Colonial Institute, on April 7th, Mr. Benjamin Kidd, the well-known and philosophic writer, dealt with what he termed "the greatest nascent possibility of the time"—the British Empire. "Will it learn the lesson of organization?" He urged (1) control of the sea-roads of the world in the interests of that trade which he considered the basis of Imperial power; (2) an effective and world-wide commercial intelligence department; (3) the adoption of a name for the great entity of Empire. The name he suggested was that of "The British Commonwealth."

Mr. Chamberlain Initiates his Fiscal Campaign

To say that the speech made by the Colonial Secretary at Birmingham, on May 15th, was one of vast import to the people of the whole British world—to say nothing of Foreign nations—is to give a mild description of this remarkable utterance in either its immediate effect or in its ultimate and still future results. And this can be said without reference to the details of Mr. Chamberlain's policy or to its effect upon partisan opinion. After a reference to the charm and semi-detachment of his South African experiences, the speaker gave a clue to what he proposed to say by declaring that his ideas "even now, ran more on those questions which are connected with the future of the great Empire than upon the smaller controversies upon which depend the fate of bye-elections and sometimes the fate of Governments." Local English affairs were nothing to the people of South Africa, Canada or Australia. But Imperial affairs and Imperial policy were vital to them and vital also to the people at home. "Upon that Imperial policy, and upon what you do in the next few years, depends that tremendous issue whether this great Empire of ours is to stand together, one free nation, if necessary against the world, or whether it is to fall apart into separate States, each selfishly seeking its own interest alone—losing sight of the common weal and losing also all the advantages which union alone can give."

He denounced the doctrine of the Little Englanders, declared the War to have been the birth of a new era, and proclaimed the Empire as not old, but new and in a condition which made it possible to now mould its destinies for all time to come. To him the question of trade and commerce in this connection was all-important. "Unless that is satisfactorily settled, I, for one, do not believe in a continued union of the Empire." It was the business of British statesmen to keep, promote and increase trade with the

Colonies—"even if in doing so we lessen somewhat the trade with our Foreign competitors." The germs of a Federal Union were in the soil, but the plant would be a tender and delicate one for some time to come. In the matter of Imperial defence, so far as men and personal sacrifices were concerned, the Colonies had done their full duty in the late war, though in bearing its pecuniary burdens they might have done more. But as to the future, in facing any great coalition of hostile nations, "I believe their whole resources in men and in money would be at the disposal of the Mother Country. That is something which it is wonderful to have achieved, and which it is worth almost any sacrifice to maintain."

Mr. Chamberlain went on to say that his idea of British policy at this beginning of things in a new Imperial era was to meet and reciprocate every proposal of the Colonies to make the union closer, and thus acknowledge "the community of interest and above all that community of sacrifice on which alone the Empire can permanently rest." Foremost amongst these proposals was that of Preferential tariffs, initiated by Canada, followed by South Africa, accepted as a principle by Australia and New Zealand. But British fiscal conditions and alleged free trade would not permit of meeting these great movements in the Colonies. "We hold ourselves bound to keep open markets for all the world even if they close their markets to us." More than this, the United Kingdom was to accept favours from her Colonies and, under this rigid fiscal code, remain in a position which would not only not permit of reciprocity but which would prevent her from protecting and defending other parts of the Empire. "Germany insists upon treating Canada as though it were a separate country. It refuses to recognize it as a part of one Empire entitled to claim the privileges of that Empire and (for its Preferential tariff) has penalized Canada by placing upon Canadian goods an additional duty." The whole situation was new and absolutely different from anything which Mr. Bright or Mr. Cobden could have conceived possible. As for him, Preference and Reciprocity was his motto; a self-sustaining and self-sufficient Empire his ideal. He concluded in the following words:

> You want an Empire. Do you think it better to cultivate your trade with your own people, or to let that go in order that you may keep the trade of those who are your competitors and rivals? I say it is a new position; I say the people of this Empire have got to consider it. I do not want to hasten their decision. They have two alternatives before them. They may maintain, if they like, in all its severity, the interpretation—in my mind an entirely artifical and wrong interpretation—which has been placed upon the doctrines of free trade by a small remnant of Little Englanders of the Manchester School, who now profess to be the sole repositories of the doctrines of Mr. Cobden and Mr. Bright. They may maintain that policy in all its severity, although it is repudiated by every other nation and by all your own Colonies. In that case they will be absolutely precluded, either from giving any kind of preference or favour to any of their Colonies abroad, or even from protecting their Colonies abroad when they offer to favour us. That is the first alternative. The second alternative is that we should insist that we will not be bound by any purely

technical definition of free trade ; that while we seek as our chief object free interchange of trade and commerce between ourselves and all the nations of the world, we will, nevertheless, recover our freedom, resume the power of negotiation and, if necessary, retaliation, whenever our own interests or our relations between our Colonies and ourselves are threatened by other people.

On the same evening that the Colonial Secretary made this deliverance the Prime Minister was addressing a large and influential delegation which came to him to protest against the repeal of the Corn-tax. After defending the Government's action at length Mr. Balfour told those protectionists who were present—and there were many—that "you cannot introduce protection silently, as it were by accident, without a deliberate endorsement on the part of the people at large in favour of so great a change." And then he made a significant reference to the subject of which Mr. Chamberlain was speaking elsewhere. "The question of a fiscal union is difficult, but if it is possible, I should look forward to such a consummation with unfeigned pleasure. If that were done, a small duty upon food imports might be part of the general system, but that must come not from the representative of one industry or two industries—it must come from the heart and the conscience and the intellect of the great body and mass of the people and when it so comes then, indeed, the tax will be based upon a security which nothing can shake."

The press of the United Kingdom and of the civilized world dealt with these speeches next day and the Colonial Secretary's was taken as marking out a new policy and raising an issue which would affect parties and statesmen and policies not only in the United Kingdom, but in the Colonies and Foreign countries. The *Times* described Mr. Chamberlain's speech as "brimming over with vitality and force" and expressed itself as favourable to a Preferential tariff system. The *Morning Post* declared that he had "started on a path in which so long as he leads he will not lack followers for the spirit in which he leads is the right one." The *Standard* deprecated the new proposals. "Unsound policy should not be recommended as an alternative to imagined disaster."

The Liberal papers were more than vigorous in their onslaught. The Manchester *Guardian* described the speech as "thoroughly vicious" and, if it should be influential with the public, "very dangerous." The London *Chronicle* spoke as follows: "We are as much in sympathy with the Imperial idea as Mr. Chamberlain himself; but Imperialism which walks on stilts and disdains as parochial all questions affecting the welfare of the heart of the Empire, is Imperialism gone mad." As to the *Daily News* its denunciation knew no limits. Mr. Benjamin Kidd, the eminent sociologist, wrote to the press on May 18th, declaring the future struggle in the United Kingdom, as in the United States, to lie between the consumer and labour on the one hand and monopoly in production on the other. The Preferential plan would strengthen the economic system and Empire which stood for the people and their rights.

On May 19th, Lord Rosebery spoke at Burnley in reference to the Colonial Secretary's pronouncement. If the Colonies had given Great Britain a preference, the Mother Country bore at the same time the whole burden of Imperial defence. If this proposed system were established it would mean constant and, perhaps, irritating pressure from the Colonies for changes in the Imperial tariff and a shifting fiscal arrangement which might prove dangerous to harmony. He admitted the injury done by free trade to agriculture, favoured an Imperial Conference to discuss trade and tariffs and declared that he was not "one of those who believed free trade to be a part of the Sermon on the Mount."

Progress of Mr. Chamberlain's Campaign

From this time until well into the summer the Colonial Secretary, while making some speeches in the Commons, devoted himself to writing letters and to preparing, presumably, for his elaborate autumn addresses to the nation. To a Birmingham correspondent on May 19th, he touched the workmen's side of the question and, after a reference to the leaping trade which would follow the adoption of Imperial preferences, said: "We have been apt in the past to consider too much the advantage of buying cheaply, and not to pay sufficient attention to the methods by which we may have the means that will enable us to buy at all. Increased wages are even more important to the working classes than reduced cost of living.

On May 22nd, he wrote to a supporter that "Cobden was an opportunist in the best sense of the word." He did not allow himself to be bound by a pedantic interpretation of principles. Speaking in the Commons on the same day the Colonial Secretary made a reference to his old-time plan of old-age pensions, which were largely quoted by the Opposition as being a bid for the Labour vote: "Before any Government can consider a scheme of that kind it must know where it is going to get the funds. I do not think that old-age pensions is a dead question and I think it may not be impossible to find the funds. For that, no doubt, there will have to be that review of our fiscal system which I have indicated as necessary and desirable at an early date."

In the House of Commons, on May 28th, Sir Charles Dilke raised the question of Mr. Chamberlain's Birmingham speech and the position of the Government thereto. Mr. Balfour followed and, after asking the House not to wave flags, somewhat ragged and moth-eaten, in connection with this subject, he pointed out that the issue was radically different in its environment and conditions from any controversy of the past. His speech was pessimistic as to the present possibilities of free trade and favourable to fiscal retaliation of some kind against Foreign countries—especially if they attempted to treat the countries of the Empire separately as Germany was trying to do. "Are we really to be told that Canada, Australia, New Zealand and India are not parts of the British Empire and are to be treated as separate nations simply because we have given them self-government?" As to the

Preferential policy: "You will never have a tax on the food of the people in this country except as part of a big policy which they heartily and conscientiously accept."

A general tax upon food stuffs for the purpose of extending the area of Colonial trade and restricting the further growth of protective systems might be possible. He would not say that it was, nor could Sir Charles Dilke say that it was impossible, as yet. The current treatment of political economy was deprecated by the Premier. "They find a formula in some book of authority and throw it at their opponents' heads; they bandy the old watchwords backwards and forwards; they arouse old bitternesses, wholly alien to any modern question." After this latter gibe at the free traders he announced that the Government were going to inquire into the whole question and that, while personally uncertain as to the practicability of the proposals, he was in sympathy and conformity with Mr. Chamberlain's objects. After this inquiry "if public opinion ripens, if the Colonies and if the people of this country are of opinion that we ought to do something to put the British Empire in an economic position which will make it in any way equal to the magnificent economic position of the United States, I think we shall have done well."

Mr. Chamberlain in his speech proclaimed agreement with every word the Prime Minister had uttered. The question was a very serious one and the mandate of the people would be required upon it. In the meantime, "I will do everything in my limited power to bring this question in all its bearings before the people." He was going to ask the country (1) to give the Government the power of negotiation in tariff matters and (2) the right to meet the Colonies half way in fiscal arrangements. With the national approval in these respects he hoped for the future of the Empire; without it he considered "a United Empire beyond the bounds of possibility." When, and if, he received a mandate "the first thing I should do to carry it out would be to consult the Colonies." The future would be a matter of negotiation and arrangement. He pointed out that England was now "the great dumping-ground of the world;" that Ireland would benefit by duties of an agricultural character as would all the farmers; that the safe food question would be incidentally met by the increased home production caused by a Preferential or protective tariff; that unfair Foreign competition and tariffs would be met. Lord Hugh Cecil and Mr. Winston Churchill put themselves upon record in this debate as opposed to the Colonial Secretary. In a letter dated June 3rd, Mr. Chamberlain dealt with the question as follows:

> It will be impossible to secure preferential treatment with the Colonies without some duty on corn as well as in other articles of Colonial produce. Whether this will raise the cost of living is a matter of opinion, and there is no doubt that in many cases a duty of this kind is paid by the exporter, and it really depends on the extent of competition among the exporting countries. For instance, I think it is established that the shilling duty recently imposed on corn was met by a

reduction of price and of freights in the United States of America, and that the tax did not, therefore, fall in any way on the consumers here. But even if the price of food is raised, the rate of wages will certainly be raised in greater proportion. This has been the case both in the United States and in Germany. In the former country, the available balance left to the working man, after he has paid for necessaries, is much larger than here. These are facts which we have to bring to the notice of the working men generally.

He also drew attention to the possibilities of a great increase in the food production of the Colonies and declared that a large scheme for the provision of old-age pensions to the thrifty and well-conducted working-man "would be assured by a revision of our system of import duties." Writing to the Editor of the *British Australasian* on May 29th, Mr. Chamberlain referred to an important element in his movement as follows: "I need hardly point out to you that if Colonial opinion were indeed hostile, or even apathetic, there would not be the slightest possibility of carrying through so great a reform and I should feel justified in abandoning the struggle if I were not warmly supported by the Colonies." On June 19th, he presided at the annual dinner of the Crown Colony officials in London and referred at some length to his recent visit to certain great Colonies, to his experience of Downing Street at home and abroad and to his appreciation of the great services rendered by its officials. He brought back two strong convictions. "In the first place I was sensible, and more than ever sensible, of the difficulties of our Imperial task. In the second place I was confirmed in the conviction that I have ever entertained, that we shall be equal to it."

On June 26th, Mr. Chamberlain was entertained at the Constitutional Club and presented by the Prime Minister, on behalf of the Club, with a valuable casket and an Address expressive of admiration for his services to the country and the Empire. Mr. Balfour drew attention to the difficulties ahead of them. These were (1) the partnership of Foreign nations in a fiscal sense with their local industries and the consequent sale of products below cost in the markets of the United Kingdom, (2) the impossibility under present conditions of carrying on tariff negotiations, (3) Foreign intervention in the domestic concerns of the Empire as in the case of Germany and Canada, (4) the making of some fiscal arrangement with the self-governing Colonies. From these premises Mr. Chamberlain proceeded to his discussion of the subject. For eight years they had been striving to unite the Empire more closely together. The task of construction was always harder than that of destruction. But, "we have faced the obstacles and measured the difficulties." It was not proposed to approach the question first in the direction of closer political union. That could wait as it had done in Germany and elsewhere. Meanwhile, "we have told our Colonies and their representatives that if they claim a share in our Councils we shall be only too delighted to grant it to them." In the matter of defence the Colonies were doing some-

thing along independent lines. But the great point in Colonial opinion was that of closer trade relations and Preferential tariffs. This it was which he wished to bring before the nation.

> I would ask, in the first place, is it a fact that the exports of our manufactured goods to our own Colonies already exceed the total exports of our manufactured goods to all the protected States in Europe and the United States of America? In the second place, is it the fact that our exports to those protected countries are continually, and of recent years, rapidly, decreasing in quality and deteriorating in their profitable character? And in view of these questions I ask, may it not be possible that it would be better for us to cultivate trade with 10,000,000 of our own kinsmen, who take from us at the present time £10 per head? Should we lose that opportunity for the sake of an attempt to conciliate 300 millions of Foreigners, who take from us only a shilling per head?"

He quoted Sir H. Campbell-Bannerman as saying that 12 millions of the people were always on the verge of starvation and asked if that was another proof of the blessings of free trade; urged the necessity of fiscal power in making commercial bargains; and declared that any little increase in the price of bread might be met by a reduction of taxes in some other direction. These speeches created a further discussion. In the United Kingdom out of some thirty leading London or Provincial papers, 13 had by this time declared themselves strongly for Mr. Chamberlain; 8 were of opinion that a case had been made out for inquiry and consideration; and 9 powerful Liberal papers—including the *Daily News,* the *Morning Star,* the Westminster *Gazette,* the Manchester *Guardian,* the Leeds *Mercury,* and the Sheffield *Independent*—were keen and intense critics. Writing on July 4th, to a correspondent Mr. Chamberlain presented these queries for his consideration:

> 1. If it is true that twelve million of people in these Islands are on the verge of starvation, does not this prove that our present system of free trade, or free imports, is a failure.
> 2. If any way can be devised by which the twelve millions can find employment at fair wages, would not their position be very much improved, even though they had to pay a farthing more for a 4-lb. loaf?

On July 16th, he wrote Mr. Griffith-Boscawen, M.P., that he had never suggested "any tax whatever on raw materials such as wool or cotton," and expressed the belief that there was nothing in his policy of Tariff reform which would increase the cost of living to any family in the country. On Aug. 19th he informed a correspondent that there was no parallel between these days of railways, electricity, steam-ships and organized labour and the days of the Corn laws. "The condition of the country in the early forties was due to many causes quite independent of the tariff, as is shown by the immense prosperity of such countries as Germany and Sweden, where the tariff has been used to increase the employment of the working classes."

Public Opinion and the Proposed Fiscal Reform

Meanwhile, the greatest controversy since the days of the Corn law repeal or the Home Rule proposals of Mr. Gladstone had been going on in political circles. Against Mr. Chamberlain at the time of his resignation and the reorganization of the Government in September, there was a veritable phalanx of greater or lesser names and representative men—the Duke of Devonshire, Lord Goschen, Lord James of Hereford, Sir M. E. Hicks-Beach, Lord Balfour of Burleigh, Mr. C. T. Ritchie, Lord George Hamilton, Sir John Gorst, Lord Hugh Cecil, and Mr. Winston Churchill in his own party; and leaders such as Lord Rosebery, Sir H. Campbell-Bannerman, Mr. H. H. Asquith, Sir Charles Dilke, Earl Spencer, Sir Edward Grey, Sir W. V. Harcourt, Mr. James Bryce, and many others, absolutely united, in the Liberal ranks.

Upon the day when Mr. Balfour and Mr. Chamberlain dealt so memorably with the subject (May 15th) Sir H. Campbell-Bannerman at Scarborough denounced Preferential tariffs as a mediæval doctrine of defiance to the world and as an ideal "dangerous to trade, to peace and to the welfare of the people." In London, on May 21st, Earl Spencer told the National Liberal Club that "they must unite as one man to oppose Preferential tariffs." On May 27th, the Council of the Birmingham Chamber of Commerce declared that Mr. Chamberlain's proposals deserved the immediate and serious consideration of the country. At the same time Mr. Hamar Greenwood, a Canadian and Liberal candidate in York, was telling an audience to look after the working classes at home "who are worse off, worse educated, worse clothed, and worse housed than the working people of your great Colonies." To the *Daily News* of May 29th, these proposals were "a policy of famine;" to Sir Edward Grey at Oxford, on the same day, conditions might have changed but only in making free trade more necessary than ever; to Sir Herbert Maxwell, M.P., and Sir Gilbert Parker, M.P., in the *Nineteenth Century* for June the success and beneficence of the policy seemed clear; to Sir Wemyss Reid in the same periodical "no man can see the end;" to Dr. E. J. Dillon in the *Fortnightly* and to the Editor of the *National Review,* free trade was worked out as an ideal and a commercial inter-Imperial union was the policy of the time. On June 2nd, the following Resolution passed the Co-Operative Congress almost unanimously:

> That this Congress, representing 2,000,000 of working class consumers, takes the earliest opportunity of entering its emphatic protest against any tampering with the free trade policy of the country by any system of preferential tariffs, believing that the same would increase the cost of food to the poorest, diminish remuneration and the area of employment, and promote International ill-will and consequent growth of militarism. Further, it strongly condemns the proposal in a cause which, in addition to promoting strife between the great nations of the world, will tend to crush the growing policy of friendship between the two great branches of the Anglo-Saxon race.

Two days later Sir J. Blundell Maple, M.P., spoke strongly

to his Dulwich constituents in support of Mr. Chamberlain. In the *Liberal Magazine* for June various party leaders dealt with the subject. Lord Spencer claimed that if duties were imposed on wheat and flour for Canada, Australia would expect a preference on wool, New Zealand on mutton and India on cotton. The Marquess of Ripon declared that the policy would raise the price of food and raw material, bring about a war of tariffs, and give partial control of tariff and home taxation to the Colonies. Sir Edward Grey believed the proposals, if carried out, would be ruin to British prosperity and result in the break-up of the British Empire. Speaking on June 9th, Lord Rosebery declared himself a free-trader, though as a landowner he had suffered from its operation. The new scheme would penalize three-fourths of the nation's food supply for the benefit of one-fourth coming from Canada, Australia, and India and would increase the competition against the home farmer while encouraging the present much deplored migration from the rural districts—to the Colonies instead of to the towns.

At the Liberal League banquet in London on June 12th, the same statesman said that, as an earnest Imperialist, it was with pain and grief he found himself unable to support these proposals. They could not cement the Empire and would certainly antagonize the United States. He could imagine nothing more detrimental to the unity and progress of the Empire than the realization of Mr. Chamberlain's plan. In the House of Lords on June 15th, a fiscal debate of great ability and interest took place. Lord Goschen declared the new policy to be one of gambling with the food of the people, one which gave much more to the Colonies than they would give in return, one which was unnecessary to any real union of the Empire. Lord Lansdowne dealt with the Colonial offer of a preference, the helpless position of Great Britain toward Foreign tariffs and hoped for " a full, fearless and impartial inquiry " into the subject. Lord Brassey and Lord Spencer criticized the proposals strongly. Lord Jersey could not see the benefit of Preferential tariffs to either Great Britain or Australia. Lord Balfour of Burleigh and the Duke of Devonshire adhered to their free trade views but had no objection to a Government inquiry. The latter would hesitate long before he would assent to any policy which might effect a change in that narrow margin which lay between many millions and starvation.

To this last fear the *Times* of June 17th, replied as follows: " The actual cheapness of corn is an economic accident and we cannot safely speculate upon its permanence. If the condition of our population is really such that it cannot bear a very moderate addition to the cost of abnormally cheap corn, then that condition must have deteriorated very much under free trade during the last two or three decades, because thirty years ago corn was double what it is to-day, yet the people paid for it and were prosperous." On the same day Mr. Balfour and Mr. Chamberlain and the Opposi-

tion Leader spoke in the House. The Premier challenged the Opposition to move a vote of censure on the Government's fiscal position; the Colonial Secretary pointed to the recent abandonment of German retaliation against Canada and to the announcement that the Dominion would not at present discuss Reciprocity with the United States, as possible results of his preliminary declarations. The *Times* of two days later reviewed Mr. Chamberlain's position toward the workingmen as follows:

> He is going to say to them that cheap food is of no use unless there is money to buy it; that the money cannot be got without trade; that our trade is being steadily filched from us and that Foreigners are occupying our Colonial markets and running us hard even at home; that he wants the means of stopping this unfair competition and of securing Imperial markets at least for ourselves; that to get these means may involve some definite and moderate tax on food; but that he does not ask them to submit to it unless he can convince them that they will gain far more than they pay.

On June 21st, a meeting of the Unionists of Yorkshire, Durham and Northumberland passed Resolutions favouring inquiry into the subject. Three days later a meeting of some seventy Unionist members of Parliament was held and a Resolution passed welcoming the Government's proposal to initiate a "thorough inquiry into the present fiscal system of the United Kingdom" and expressing their decision to support strongly any investigation as to "the results of the hostile tariffs maintained by Foreign powers against British manufactures and as to the most effective means of defending and promoting the industries of Great Britain and Ireland and the Colonies and of securing the consolidation of the British Empire." At Aberdeen, on June 29th, Mr. James Bryce took the ground that immunity from United States trusts could only be had by maintaining free trade. Under a Preferential system "our fiscal freedom would be gone for we would never put on or take off a duty without having to consult some Colony which might be affected." To a correspondent on June 30th Mr. Herbert J. Gladstone wrote that he did not know of any Liberal member "who is not ready to resist Mr. Chamberlain's revolutionary proposal." At Westminster, on July 1st, Mr. Asquith used the following argument:

> The whole of the British Empire, outside the United Kingdom, imports at this moment £230,000,000 sterling in value of commodities. Of that £230,000,000 no less than 62 per cent. comes from the British Empire itself. In other words, Foreign countries at this moment do with our Colonies a trade which is only 38 per cent. of our total trade. What does that 38 per cent. consist of? It consists, to a very large extent, of commodities which we cannot possibly supply, which are not produced in this country at all—mineral oil, for instance. And when you have deducted that you get a margin of something like 16 per cent. Is there anyone here or anywhere who will tell you that Colonial statesmen are prepared to reduce their tariffs to such an extent as to allow British manufacturers to go into their markets and compete with their own native manufacturers?

On the same day a meeting of 54 Unionist free trade members of Parliament was held and the following Resolution passed: "That, in furtherance of the inquiry proposed by His Majesty's Ministers into our fiscal system, a Committee be appointed to examine the probable effect of the suggested changes on the unity of the Empire and the social and industrial welfare of the United Kingdom—both of which objects this meeting earnestly desires to promote—and to take steps for placing before the country the objections entertained by this meeting to protective taxation on our imports of food." In the House of Lords, on July 2nd, Lord Rosebery made further inquiries as to the Government's fiscal policy; declared that as he understood it the result would be not an Empire of peace but an Empire "bristling with tariffs at every point and brimful of retaliation on any pretext;" and denounced Mr. Chamberlain for his statement that without this Preferential system the Empire would not hold together. In reply the Duke of Devonshire defended the Government's attitude of inquiry and, to some extent, Mr. Chamberlain's desire for a popular mandate with which to approach the Colonies.

On the succeeding day the Council of the National Union of Conservative Associations approved the policy of inquiry. On July 6th, the Manchester Chamber of Commerce passed a Resolution declaring that the Government's inquiry could only result in proving that any departure from the hitherto accepted principles of free trade, "will not only be found to operate detrimentally to the true and fundamental economic interests of the United Kingdom, but will also tend to import into the Mother Country, with her Colonies, many harassing questions that possess the germs of future friction, conflicting interests and ultimate disintegration." The Council of the London Liberal Federation declared on July 7th, that Mr. Chamberlain's policy would spell disaster to London by (1) interfering with the free movement of its vast and complex trade (2) by taxing the food of the immense number of people who were always on the verge of starvation and (3) by taxing the raw material of its great industries. On July 15th, the foundation of a Free Trade Union was announced with Mr. Arnold-Morley as Chairman and Lord Ripon, Lord Rosebery, the Earls of Crewe and Aberdeen, Earls Spencer, Beauchamp, and Carrington, Mr. John Morley, Mr. Bryce, Mr. Asquith, Lords Welby and Tweedmouth, Sir Edward Grey, Sir W. H. Holland, Sir G. O. Trevelyan and many others as members of the Council. The objects were as follows:

1. To safeguard the free import of food and raw material.
2. To maintain the general principle that taxation should be imposed for revenue purposes only.
3. To resist the reactionary fiscal policy of Mr. Chamberlain as certain to complicate trade relations with all the Colonies, and to endanger the stability of the Empire.

In the *Review of Reviews* for July Mr. W. T. Stead joined

the *Daily News* and Mr. Goldwin Smith in denunciation of Mr. Chamberlain and referred to his action as "the last throw of a ruined gamester." In the other magazines of that month Professor E. S. Beesly, Mr. Alfred Emmott, M.P., Lord Welby, Lord Goschen and Mr. Ralph Neville, K.C., had articles dealing with the free trade side of the subject. From the other standpoint Sir R. Griffin, Mr. Benjamin Kidd, Dr. Beattie Crozier and others expressed their views. On July 21st, a conference of the Cotton Employees' Parliamentary Association and the United Textile Factory Operatives' Association at Manchester passed a Resolution denouncing any interference with the policy of free trade. At the same time the inaugural meeting of the Tariff Reform League was being held in London under the chairmanship of the Duke of Sutherland.

A strong organization was formed with the Duke as President and for the purpose of aiding Mr. Chamberlain who, later on, accepted the Vice-Presidency. Upon the Executive were placed Sir Alfred Jones, the Hon. T. A. Brassey, Sir Vincent Caillard, Dr. Rutherford Harris, the Duke of Westminster, Sir Gilbert Parker, Mr. C. Arthur Pearson and others. Another debate took place on the question in the House of Lords on July 23rd, and the Duke of Devonshire once more described the Government's policy as simply one of inquiry and that of Mr. Chamberlain as asking a personal mandate from the country for the discussion of Preferential duties with the Colonies. Four days later Mr. W. T. Stead wrote to the Chicago *Record-Herald* that "Mr. Chamberlain's career is over and the world will soon be free from the menacing shadow of a statesman who has been the curse of his country." The *Pilot* during August contained a series of articles by Mr. A. C. Pigou. He summed up various arguments of a favourable character:

1. The stimulus given by a Preferential tariff to Colonial wheat might encourage production so as to ultimately lower the price of food in England.
2. In any case, a slight increase in this respect would be counterbalanced by the benefits of the Colonial preference.
3. It would render the United Kingdom less dependent upon Foreign food supplies in time of war.
4. It would expand the Colonial population and thus increase the fighting force of the Empire.

On Aug. 10th, an appeal signed by the 13 Labour members of the House of Commons was issued asking the Colonial labour organizations to oppose Mr. Chamberlain's policy on the ground that what he asked was "that we should tax our food for your benefit." At this time also a sort of free trade manifesto was issued by a number of political economists. They were Mr. Leonard Courtney, Professors C. F. Bastable, F. Y. Edgeworth, E. C. K. Gonner, Alfred Marshall, J. S. Nicholson and W. Smart who, respectively, held the chairs of Political Economy in the

Universities of Dublin, Oxford, Liverpool, Cambridge, Edinburgh, and Glasgow. Other writers and Lecturers upon this subject also signed the document. They claimed that:

1. An increase of imports does not involve the diminished employment of workingmen.
2. A tax on food would result in a lowering of the real remuneration of labour—not in an increase of wages.
3. It might be possible, but improbable, that a small portion of the food tax would be paid by the Foreign producer.
4. Such a tax might not actually raise the present price of food, but it would be higher than if the tax were not there to be paid.
5. It is impossible to devise any plan for at once expanding Colonial wheat areas and encouraging the home producer without injury to the British consumer.
6. A tax on food would interfere with the free circulation of goods, divert industry from its present courses and give the Government only the duty on Foreign products while the people would pay the tax on the whole or nearly all of the wheat consumed.

On Aug. 17th, Mr. R. H. Inglis-Palgrave, F.R.S., wrote to the *Times* saying that he had not felt competent under present conditions to join in this expression of opinion. The Trades and Labour Congress meeting at Leicester on Sept. 8th, passed, by a large majority, a Resolution which strongly condemned Mr. Chamberlain's suggested policy as "most mischievous and dangerous to the best interests of the people of this country" and pledged the keen opposition of that body to its inauguration. On Sept. 16th, the Prime Minister issued a pamphlet entitled "Economic Notes on Insular Free Trade" which he had originally prepared for the consideration of his Cabinet. Retaliation against Foreign countries which refused reciprocal negotiations was his policy. From his point of view nations were themselves a standing violation of the principles of cosmopolitan free trade under which capital and labour should flow to and fro from purely natural causes. Love of home had created the family and evolved the nation; the instinct of self-preservation had created tariffs.

Mr. Balfour concluded, after much elaborate argument, that the reason the United Kingdom could live at all in a world of protectionist nations was that (1) Foreign countries owed her a good deal of money which they paid by imports; and that (2) large areas still remained unprotected while (3) other protected areas were not completely protected. "Established insular free trade with its inevitable limitations has left us bearing all the burden but enjoying only half the advantages which should attach to empire." Meanwhile, the question had been discussed from a favourable standpoint in a series of able special articles in the *Times* and opposed by Sir W. V. Harcourt in lengthy communications to the same paper. Members of the Government such as Mr. Arnold-Forster, M.P., Lord Cranborne, M.P., Lord Onslow and Mr. St. John Brodrick had supported Mr. Chamberlain in their speeches with more or less indirectness.

Continuation of Mr. Chamberlain's Campaign

Following the appearance of Mr. Balfour's pamphlet and his own resignation on Sept. 18th, Mr. Chamberlain inaugurated an active personal campaign. Writing on that date to Mr. C. Arthur Pearson, Chairman of the Tariff Reform League, he defined the policy of the League and of himself as follows: (1) Closer union with the Colonies by means of a Preferential tariff and an endeavour to make the Empire self-sufficing as regards food supply; (2) the employment of the tariff as a weapon to secure greater reciprocity with foreign nations or, failing such an arrangement, to prevent the loss of our home and Imperial markets under the competition of protected countries, by retaliating upon them the treatment they mete out to us."

To another correspondent a week later he declared that "my policy has always been to do more for friends than for enemies or rivals. The Colonies are our best friends and largest customers for manufactured goods and the greatest potential source of supply for our food. They are ready to make profitable arrangements with us while the Foreigners are gradually closing every outlet of our trade." On Oct. 1st the *Daily Telegraph* published a collection of articles upon the fiscal question with a special prefatory article by Mr. Chamberlain. After pointing out the declining and unsatisfactory condition of British trade and the helpless position of the Government and people he summed up the advantages which might be gained by a revision of the tariff as follows:

1. An increase of trade with our fellow-subjects and best consumers who not only take much more per head from us than the Foreigners, but take it in the shape of manufactured goods whose production involves the employment of the greatest amount of labour.

2. The power of bargaining with our competitors and thereby of securing that they shall take more of the products of our labour in return for the products of their labour.

3. In either case, this change and the increased trade with the Colonies will provide more employment for our own people and a greater demand for our own labour.

4. If the demand for labour increases, the wages of labour must rise also; and full work at fair prices will enable our manufacturers to pay higher wages without loss to themselves.

Lastly, we shall have made a great advance towards the union of the Empire and taken a first step towards freer trade with the rest of the world.

A couple of days later a pamphlet was issued by the Tariff Reform League with a preface by Mr. Chamberlain in which he strongly resented the charge of proposing to increase the price of food to the workingman and pointed to his past career as a sufficient answer from the standpoint of sympathy with labour. The keynote of the article was in the following paragraph: "Every other nation and all our own self-governing Colonies have refused to accept the gospel of Cobden, and yet, although they ought, according to its dogmas, to be in the last stage of depression and decline, they have grown during the last twenty years in wealth, population,

and trade and in everything that goes to make up the greatness of a nation." Writing on Oct. 6th, to a correspondent, he declared it was "only by commercial union and reciprocal preference that you can lay, broadly and permanently, the foundations of that federation of the Empire to which all patriotic Britons look forward as to a brilliant possibility."

The first great tariff speech of the succeeding series was delivered at Glasgow on Oct. 6th, by Mr. Chamberlain, under conditions of unique national interest and with an audience of 6,000 people who were few indeed compared to those from all over the country who endeavoured to hear him. After paying a tribute to Mr. Balfour and expressing his loyalty to him as a leader and a friend the speaker went on to call himself a pioneer in the greatest question which the people could have to consider and which he summarized as involving the consolidation of the Empire and the meeting of the clash of Foreign competition. In the structure of British commerce he saw signs of decay with cracks and crevices in the walls; in the future he saw a struggle for national life and trade which they were asked to meet with antiquated weapons and old-fashioned tactics. Instead of protectionist countries going to wrack and ruin they were progressing relatively faster than the United Kingdom. While the trade with Foreign protected countries had declined 46 million pounds between 1872 and 1902 that with British countries had increased by 40 millions sterling. This Empire trade must be kept and proportionately increased but it would inevitably decline and with it the welfare of the British people if steps such as he proposed were not taken. Labour leaders in the Colonies and other countries were protectionists; why should they oppose the system here. He believed they would eventually support a Preferential plan and in this connection proposed that the Colonies in return should give British industry a fair chance. "There are many things which you do not now make, many things for which we have a greater capacity for production. Leave them to us as you have left them hitherto; do not increase your tariff walls against us."

He opposed a policy of drift, declared the Colonies were ready to meet him in these proposals, spoke of the privileges of Empire, referred to the vast variety of products interchangeable in British countries, and proclaimed his belief that all that is best in the present life of Britain was due to the fact that they were sons of Empire with the traditions, inheritance, sentiment and power which that fact involved. Others had founded the Empire; it was their duty to consolidate it. As to Colonial statesmen and the future he said: "I have tried to understand them, and I think I do understand them and I say that none of them desire separation. There are none of them who are not loyal to this idea of Empire, which they say they wish us to accept more fully in the future, but I have found none who do not believe that our present

Colonial relations cannot be permanent. We must either draw closer together or we shall drift apart." Consolidation was worth some sacrifice; but he did not believe any would be necessary. "This is an arrangement between friends; negotiations between kinsmen. Can you not conceive the possibility that both sides may gain and neither lose?" By the adoption of his Preferential policy they would gain the retention and increase of customers, work for an enormous number of those now unemployed, and pave the way for an enduring union of the Empire. It would cost a tax on food. Raw materials could not be taxed and a tax on manufactures would not at present benefit the Colonies. He then outlined the following plan—subject to future amendments and consultation with the Colonies:

1. A duty on Foreign corn not exceeding 2s. a quarter—excluding maize as being a raw material and food of the poor.
2. A corresponding tax on Foreign flour and a consequent preference to the home and Colonial milling industry.
3. A tax of about 5 per cent. on Foreign meat and dairy produce—excluding bacon as being a popular food of the poor.
4. A substantial duty upon Foreign wines and, perhaps, fruits in favour of Colonial products.
5. A moderate tax for revenue purposes on all Foreign manufactured goods averaging 10 per cent. and netting the Exchequer about £9,000,000 a year.
6. The use of this sum to reduce other taxation, and as a weapon with which to obtain reductions in Foreign tariffs.
7. Remission of three-quarters of the duty on tea, half of the existing duty on sugar, and a corresponding reduction on cocoa and coffee.

After an elaborate argument upon the question of who pays the duty and with the conclusion that the Foreigner must pay at least a part of it, Mr. Chamberlain concluded his much-cheered address as follows: "It is because I believe that this policy will consolidate the Empire, the Empire which I believe to be the security for peace and for the maintenance of our great British traditions. It is for all these things, and, believe me, for no personal ambition that I have given up the office which I was so proud to hold and that now, when I might, I think, fairly claim a period of rest I have taken up new burdens. And I come before you, as a misssionary of the Empire, to urge upon you once again as I did in the old times when I protested against the disruption of the United Kingdom, once again to warn you, to urge you, to implore you, to do nothing that will tend towards the disintegration of the Empire; not to refuse to sacrifice a futile superstition, an inept prejudice, and thereby to lose the results of centuries of noble effort and patriotic endeavour."

At Greenock, on the following evening, Mr. Chamberlain dealt at length with the retaliatory and protective side of his proposals. During the last 30 years everything had changed including politics, science, and trade. Why should not fiscal theories also change? What was good for the country in 1872 might not be so in 1902. He wanted free trade but if Foreign nations would not

respond he was not a free trader at any price. Great Britain was losing both ways—in Foreign markets by heavy tariffs and in her own by the competition of the very peoples who excluded her goods from their markets. Loss of employment to the workingman meant more than loss of capital to the manufacturer and it was the former who was most menaced by this process. Why should protection be so very bad for Great Britain and so very good for Germany, France and the United States? The policy of President Lincoln, or President McKinley, or Prince Bismarck was, he said, to "keep for a manufacturing country its home industry; fortify the home industry to make it impregnable; and then having left the fort behind move forward against other countries and, especially attack one country"—that is, free trade Britain. The iron manufacturers were warned of the probable early dumping of millions of tons of American iron in the British market.

Since 1882 the import of Foreign manufacturers had increased £62,000,000 and their own manufactured export £12,000,000. This involved a loss of £50,000,000 to the United Kingdom or constant employment for 333,000 workmen and the keeping of 1,500,000 people in comparative comfort. As to the theory of labour being transferred from one industry ruined by free trade to some other; "it was a doctrine of pedants who knew nothing of business and nothing of labour." Agriculture was practically destroyed; sugar had gone, silk had gone, iron was threatened, wool was threatened, cotton would come. How long could the nation stand it. He was not afraid of a war of tariffs if it had to come. But it would not come. "Ours is the greatest market in the whole world. We are the best customers of all these countries. There are many suitors for our markets." From Germany came twice as much as she took in return, from France three times as much, from the United States six times as much. Who would lose in a war of tariffs under such conditions! Mr. Chamberlain went on to speak of the Colonies and the free trade spirit of indifference to them during the past 30 years. Now was the time to correct the impressions of the past and bind these growing nations to the Motherland. "We can, if we make the Empire mutally self-supporting, make it one for defence, one for common aid and assistance."

These two speeches were amplified in a succeeding series of memorable addresses—at Newcastle on Oct. 20th, at Tynemouth on Oct. 21st, at Liverpool on Oct. 27th and 28th, at Birmingham on Nov. 4th, at Cardiff on Nov. 20th, at Newport on Nov. 21st. As to the tariff details of his policy Mr. Chamberlain told a correspondent on Oct. 13th that he could not say more "without consulting the representatives of all the trades interested and without the opportunity of referring to the Governments of the British Colonies and Possessions."

As to India, he wrote to Sir M. M. Bhownaggree on Nov. 3rd, that no specific request had come from that country for a preference but that "preferential arrangements with regard to tea, indigo

and wheat, and others of her principal products" would, no doubt, be beneficial. In the course of his speeches and correspondence he repudiated the idea that he wished to check further industrial development in the Colonies. At Tynemouth he expressed the opinion that the United Kingdom would gain much from a substantial preference over the Foreigner in Colonial markets—a new field at present of some £26,000,000 per annum—and much from directing emigration to the Colonies instead of to Foreign fields. The Colonies might do more than this:

> I think that with all these things coming as results of the policy that I propose, they will be inclined, in all future tariff arrangements, to proceed upon what I may call natural rather than on artificial lines. By natural lines I mean that each country should, of course, be allowed and, in fact, encouraged to manufacture for itself all things for which it has special facilities; but it should not be encouraged to manufacture for itself things which would really cost more to manufacture than to buy; things for which it has no particular aptitude and which it may well take up in exchange for other articles which it can more favourably produce.

Speaking at his official farewell to the Colonial Agents-General on Nov. 18th, Mr. Chamberlain expressed his "almost assured conviction" that he would win this Preferential campaign. During his preceding speech in Liverpool it may be added, he stated that eight years experience in the Colonial Office had "burned into his brain and mind" the imperative necessity of some such policy.

Further Public Discussion of Tariff Reform

While Mr. Chamberlain had been making these speeches as the almost solitary exponent of a new policy his opponents had not been idle. Lord Rosebery and the Liberal leaders, Sir M. E. Hicks-Beach, Lord Goschen, and the other dissentient Unionists had stormed the citadel of his arguments with vigour. The various Leagues on both sides and the Cobden Club also poured out millions of fly-sheets, pamphlets and cartoons. On Oct. 1st, the Prime Minister had spoken at length in Sheffield, reviewing the whole field of discussion and crediting the fallow state of the public mind, when Mr. Chamberlain's first speech was made, to the Colonial aid in the War and the impetus of Canada's Imperial preference. But still, public opinion was not ripe for a Preferential policy and the Government intended to adhere to its demand for the right and power of fiscal retaliation. Liberty of fiscal negotiation with Foreign countries was his policy and along that line he would lead his party in Parliament and in the elections whenever they came off. But a tax on food was not within the limits of practical policy.

To the *Daily News* of Oct. 8th, Sir H. Campbell-Bannerman stated that "I do not myself attach much importance to these stories of stagnant trade and tottering Empire. As to our trade the facts, so far as I can judge, are opposed to Mr. Chamberlain's assumptions and, so far as the Colonies are concerned, I hold that instead of continuing a policy which threatens the foundations both

of our Empire and our trade, we should hold fast by the traditional Colonial policy of friendly union, combined with fiscal freedom." At the annual Conference of the Miners' Federation on the same day a Resolution hostile to Mr. Chamberlain's policy was carried by 89 to 5 votes. On Oct. 19th, Mr. C. T. Ritchie, in explaining his recent resignation at Croydon, met a stormy reception when he urged the following argument against a Preferential tariff:

> The one thing people in this country would desire to guard against is that we should give to the United States any ground for raising anything like resentment on their part towards this country. I am sure there are not many in this room who would not greatly regret to see any disturbance of the extremely friendly relations that exist between ourselves and the United States ; but don't you think there would be resentment on the part of the United States if Canada was allowed to send corn into our markets at 2s. or 3s. less than they were allowed to send it ? Further, remember how the United States could punish—if you like to use the word—could punish Canada.

Speaking on Oct. 12th, Mr. Austen Chamberlain declared his earnest loyalty to Mr. Balfour and his policy. But this did not prevent him from seeing and hoping for a greater ideal in the future. At Sheffield, on the following day, Lord Rosebery expressed the belief that Mr. Balfour was simply holding the Government together with an understanding that Mr. Chamberlain should go out and convert the country while the real leader's son would be left in charge of the strong box. Retaliation was only a half-way house to Preferential tariffs. As to the alleged danger to the Empire in not accepting this new policy, he said: "Were this so, I, to whom the Empire and the future of the Empire has been a political faith and a passion of my life, would at once favourably consider, I am afraid without too much reference to political economy, any proposition which would have the effect of keeping together this great instrument of glory and of good. But I am happy to say that here once more we are confronted with an absolutely baseless assumption." He concluded by quoting Sir Wilfrid Laurier as in favour (for England) of absolute freedom in trade.

During his election contest in Leamington, Mr. Alfred Lyttelton, the new Colonial Secretary, expressed himself as hopeful for the realization of the Preferential tariff ideal. But it was not the Government's policy, he declared, and not an issue in his election. On Oct. 13th, the Duke of Devonshire wrote joining the Unionist Free Food League and expressing renewed hostility to Mr. Chamberlain's proposals. Six days later the National Liberal Federation issued a Manifesto declaring the latter to be the real Prime Minister in this fiscal connection; denouncing the whole structure of the proposed policy as unsound and the facts and figures adduced as inaccurate; and proclaiming the indifference of the Colonies to the whole matter. "So far as Canada is concerned it has already been made abundantly plain that she values her complete legislative and fiscal independence even more than she does her proud place as the greatest Dominion of the British Empire."

Writing to the *Standard* on Oct. 22nd, Mr. T. Gibson Bowles, M.P., estimated the receipts from Mr. Chamberlain's proposed new taxes at £16,900,000 and the remissions of taxation at £6,600,000. At a largely attended meeting of the Unionist Free Food League on the following day the Duke of Devonshire was elected President, and a Manifesto was issued mildly deprecating Retaliation and vigorously denouncing the Preferential tariff proposals. At Dover, on Oct. 28th, Mr. Wyndham, Chief Secretary for Ireland, declared himself as practically with Mr. Chamberlain in his advocacy as did Mr. Akers-Douglas, the new Home Secretary, on the following day. It was estimated at this time by the Dundee *Courier* that out of all the morning papers in the United Kingdom 26 were for Mr. Chamberlain, 25 against him and 17 neutral. An incident of this period (in opposition to Mr. Chamberlain) was Mr. Goldwin Smith's article in the October *Monthly Review* with the following description of Canada:

> The physical fact is that of this vast area by far the greater part belongs to the region of ice and snow. Canada may be described as the northern section of the habitable and cultivatable continent, much broken and indented, and with a great and at present undefined projection to the north formed by Manitoba and the Territories newly opened. The Dominion is made up of four separate blocks of territory divided from each other by wide spaces or great barriers of nature.

Hence his argument as to the uselessness of trying to develop that country by Preferential tariffs for food or other Imperial needs. The *Morning Post* in reviewing this article on Nov. 13th, declared that "a more amazing tissue of misapprehensions was never put together" by the inhabitants of a British country. Mr. Goldwin Smith's opposition was declared, however, to be a good omen for Mr. Chamberlain. Speaking at Leicester, on Nov. 8th, Lord Rosebery declared that Canada did not particularly want a preference, quoted the Toronto *Globe* as urging Great Britain to suit herself in the matter, and expressed fear as to the results of United States emigration into the West. At a great meeting of the Free Food League in London, the Duke of Devonshire, Lord Goschen and Lord George Hamilton attacked the Preferential scheme with vigour. On Dec. 2nd, the Committee of the Trades Union Congress issued a Manifesto declaring Mr. Chamberlain to have "initiated more political adventures, legislative somersaults and hollow fallacies than any living statesman;" denying at great length that they were acting at the instigation of the Cobden Club in opposing him; claiming that a tariff on imported goods would not give higher wages or open new markets; and declaring that there was no chance of old-age pensions being granted as a result of such policy. On Dec. 10th the Belfast Chamber of Commerce passed a Resolution favourable to Mr. Chamberlain's plan and on the 26th the *Daily Mail* published a ballot taken on the fiscal question which had resulted in 238,894 votes for a Retaliatory policy, 166,606 in favour of Free trade and 141,279 in favour of Preferential tariffs.

Canadian Opinion as to Mr. Chamberlain's Policy

The feeling of Canada towards Mr. Chamberlain's proposals—outside of Quebec—may be described as sympathetic but not aggressive. In French-Canada it was passive with certain flashes of hostility from *Le Temps, La Presse,* or Mr. Bourassa, M.P. The subject was not a new one to Canadians and had been discussed in various forms and phases in preceding years by political leaders such as Sir John Macdonald, Sir Charles Tupper, the Hon. G. E. Foster, the Hon. George W. Ross, Mr. D'Alton McCarthy and Mr. Alex. McNeill. The only active and prominent opponents developed during the year were Mr. Bourassa, Mr. Goldwin Smith and Mr. John Charlton, M.P. Following the speech of May 15th, the Government's policy was authoritatively described in the *Globe* of the 18th as having been "clearly and explicitly stated" both at the Colonial Conference in London in 1902 and in Mr. Fielding's Budget Speech of April 16th preceding.

The Canadian Ministers expressed a hesitancy to adopt further tariff changes which might seriously interfere with existing industries; but they stated that if they could be assured that the Imperial Government would accept the principle of Preferential trade generally, and particularly grant to the food products of Canada in the United Kingdom exemption from duties now levied, or hereafter imposed, they would be prepared to go further into the subject and endeavour to give the British manufacturer some increased advantage over his Foreign competitors in the markets of Canada.

To the *Mail and Empire* of May 17th, Mr. R. L. Borden said that the Conservative party in Canada had long believed that only a great British leader was required to bring a policy of mutual preferences to a successful issue: "For ten years the Conservative party in this country has been fighting the battle of preferential trade within the Empire. Going out of power in 1896, we nevertheless continued to advocate that policy as one calculated, not only to develop commerce within the Empire, but to bind more closely together by the firm ties of closer commercial intercourse, all parts of His Majesty's dominions." Other comments were innumerable. Mr. Cyrus A. Birge, President of the Manufacturers' Association, told the Toronto *News* on May 18th, that many manufacturers, including himself, considered the present Preference too large. "My own personal opinion is and has been, that it would be better for Canada to have the one tariff for all and, if necessary, to shoulder her share of the burden in connection with Imperial defence." The Toronto *Globe* of the same date referred to the subject as follows: "The people of this country will, in general, refrain from asking the people of Great Britain to tax themselves for the promotion of Imperial trade, but it is quite certain that if our friends across the Atlantic choose to grant such a preference as Mr. Chamberlain suggests it will be thoroughly appreciated in Canada."

The succeeding attitude of this staunch newspaper supporter

of the Government was that of an onlooker, "amused but vigilant;" interested but not enthusiastic; opposed to too much bargaining in the matter and averse to the submission of Imperial sentiment to the hurly burly of a British election. "While Canada (July 22nd) appreciates the commercial value of a British tariff with a Colonial preference that very value precludes the possibility of participation in the British contest." Speaking at a Canadian banquet in London, on May 25th, the Hon. Mr. Sifton, Minister of the Interior, dealt with this subject. To him and to Canadians the present relations with the Empire were almost perfectly satisfactory. He referred to the Preference of 1897 as given voluntarily and for the benefit of Canada. "We attempted to make no bargain. But we said that in our judgment, as a part of the fiscal policy of Canada, it was sound policy for us to give Great Britain a certain preference and if Great Britain, in the exercise of her judgment, as a part of her fiscal policy, thought that it would be for her benefit to give us a preference in return then we should accept that thankfully." As to the future Canada would be willing, and had so declared herself, to give an additional preference in order to enable the United Kingdom to compete with Germany, the United States, or other Foreign countries in her markets. But the question Mr. Chamberlain had raised must be settled in Great Britain. "We do not desire unduly to intrude our opinion upon the domestic concerns of Great Britain."

At the Toronto banquet to Lord Minto on May 28th, the Hon. G. W. Ross delivered a powerful address upon this subject. He favoured closer political, defensive and commercial unity within the Empire. On the latter point, he pictured two ships with cargoes entering a British port—one from a country hostile in policy, trade, tariffs, and sentiment; the other friendly in all these respects. Yet each received the same fiscal treatment. It was an irrational policy and Mr. Chamberlain would, he hoped, in time change it. Addressing a meeting in Toronto on June 3rd, the Rev. Dr. Carman eulogized the Colonial Secretary, and declared that the fundamental idea in building up the Empire was "a community of interests and a community of sacrifice." In the *World* of July 30th, Senator W. J. Macdonald of British Columbia strongly supported the proposals. During the Montreal banquet to the Chambers of Commerce Delegates on Aug. 20th, several important speeches were made.

Lord Minto expressed himself strongly in favour of any commercial policy which would combine the countries of the Empire closer in mutual interests and build further upon the structure of sentiment which was already there. It would take time, however, for Mr. Chamberlain to win in his great struggle and, in the meantime, those who believed in the future of the Empire should speak out. "It was not the time to sit down and fold one's hands." Sir Wilfrid Laurier in his speech referred to the varied tariffs of the Empire and to the difficulties in the way of a Preferential arrange-

ment. "We are intensely desirous of having a preferential market for food products in Great Britain, but I may say at once that in so doing we think such a step would be better to come from Great Britain than ourselves, and we do not want to force our views on our brothers on the other side of the Atlantic." If the people of Great Britain gave concessions Canada must give in return. But he would not consent to any sacrifice of Canadian "independence and perfect freedom of action in fiscal, commercial, and industrial legislation." However, he did not think that this would be required. The British press of a Liberal complexion was inclined to consider this address as throwing cold water upon Mr. Chamberlain's advocacy and even the *Times* regarded his view as a despondent one.

Speaking to the Montreal *Star,* on July 3rd, Sir Charles Tupper warmly eulogized Mr. Chamberlain for his "manly, straightforward and plucky stand." In the House of Commons on June 17th the Hon. Mr. Tarte strongly endorsed the new policy. "It would have the dual effect of helping England from an agricultural and industrial standpoint and of helping the British colonies—Canada more, perhaps, than any other." He would like to support Mr. Chamberlain's proposals on British platforms. The Hon. Mr. Fielding, in following, declared that his sympathies were with the Colonial Secretary and he hoped to see him go ahead and his movement progress; but he would have an uphill fight before winning success. He then dealt with the existing Canadian Preference and the Government's announced willingness in 1902 to increase it. "But what I understood to be also the position of the Government and what I hope is their position now, was that, although we were ready to enter into an agreement with the Mother-land for the mutual benefit of that country and of Canada, we should always keep our liberty to break the agreement when we saw fit to do so."

To the *Standard's* Ottawa correspondent (Aug. 17th) Mr. Charlton, M.P., gave an interview upon the subject of Preferential tariffs and of Reciprocity with the United States. There were excellent prospects for the latter, he thought, and "such an arrangement would naturally interfere with special tariff privileges granted to Great Britain. The free admission of Canadian wheat into the United States would be of more importance to Canada than a British preference of 1s. 6d. per quarter." In his annual address to the Montreal branch of the Canadian Manufacturers' Association on Aug. 10th the Hon. J. D. Rolland, M.L.C., made the following remarks as to Canada's part in the new proposals:

> And first I will say what she will not offer and that is the destruction or curtailment of her manufacturing industries. We must amply protect our own Canadian industries. Free trade within the Empire is an impossibility. Our workmen will never consent to live on the wages given the English mechanics; our rate of interest is two per cent. higher than in London, England; our market is as yet small and the cost of production consequently higher. But what we can give is a more substantial preference on the goods we do not manufacture. At present many of these lines

are on the free or low duty list where the operation of the Preference is of insignificant advantage to Britain. This preference should be made substantial. The rates also on many of the lines we are producing are too low and an increase in the tariff would operate in favour of Britain against the United States and Germany.

Writing in *La Patrie* on Sept. 18th, over his own signature, the Hon. Mr. Tarte approved Mr. Chamberlain's action in resigning and declared that the day would come when British countries would "tighten by the adoption of a mutually advantageous fiscal policy the bonds of commerce and other common interests which already unite them." Following this political event in Great Britain came many Canadian comments upon the situation. To the Toronto *News* of Sept. 20th, Lieut.-Col. G. T. Denison said: "Sir Wilfrid Laurier and Mr. Fielding did a wise and patriotic act at the Conference in offering further preferences in those articles now being purchased from Foreign countries. This should be done by higher duties against the Foreigner or by allowing British goods of that kind into Canada under a larger preference. This would not injure home manufacture. Again, we need not encourage new manufactures not yet established, but by giving them to Great Britain secure preference in favour of all our foodstuffs in the markets of the Mother Country." On Sept. 25th the Dominion Trades and Labour Congress at Brockville adopted a Resolution endorsing the action taken by the British Trades Congress in opposition to protective duties and placing itself on record as "disapproving of any Imperial policy intended to benefit the Colonies to the detriment of the proletariat of the British Isles."

A strongly written "open letter" and public appeal to Sir Wilfrid Laurier appeared on Oct. 5th in the editorial columns of the Ottawa *Journal*. It pointed out that Great Britain imported $1,000,000,000 worth of food annually while Canada exported only $100,000,000; claimed that the sale of food was the most growing, prosperous and potential interest of the Dominion; urged the desirability of the Government telling the Mother-land and its politicians and people that we wanted the great boon which a preference in this respect would be; pointed out that when we wished Reciprocity from the United States there was no hesitation in asking for it, no delay in passing legislation regarding it, and no fear of interfering with the internal politics of the Republic. Speaking to the *Mail and Empire* on Oct. 8th, Mr. Byron E. Walker, General Manager of the Canadian Bank of Commerce, referred to Canada's tremendous interest in the preservation of the Empire and to his hope that it would soon share in Imperial defence while accepting any fiscal preference which might come. As to a return for the latter, in kind, it was a very difficult question.

We can, of course, be content for many years to come to have Great Britain make the more expensive and more highly-wrought species of manufacture, but we shall surely strive to make for ourselves the great staples of trade, especially where we have the raw materials necessary therefor. I would like to be understood as distinctly friendly to Mr.

Chamberlain's proposals. We must not only meet them, but meet them heartily, even if doing so should involve a sacrifice, materially, rather than a gain to Canada.

In Montreal, on Oct. 10th, the Hon. Mr. Tarte again endorsed the Chamberlain policy and wished that he could have gone to England to help it. He repeated these sentiments on various other occasions. Writing to Mr. J. M. Clark, K.C., President of the local branch of the British Empire League, the Ontario Premier on Oct. 20th, urged at length the advantages of a Preferential arrangement. We should be very grateful to Mr. Chamberlain. "A preference for Colonial corn of 2s. a quarter, as he proposed, would be of incalculable advantage to Canada, and when to this he adds a preference for other foodstuffs and for Colonial manufactures he is making proposals which would enormously stimulate all the industries of the country." In five or ten years under these conditions Canada would be able to feed the British people. A large margin would also exist for the displacement of Foreign manufactures in Great Britain under the proposed preference. As to Imperial defence "no self-governing Colony can evade all responsibility for its share." A meeting of the League on the same day endorsed Mr. Chamberlain's "splendid and courageous efforts."

Mr. W. K. George, Mr. P. W. Ellis, and other prominent manufacturers in Toronto at this time took much the same view in the press as had Mr. Rolland at the recent Montreal meeting. The subject was discussed in the Senate on Oct. 24th when Sir Mackenzie Bowell eulogized Mr. Chamberlain as an Empire builder and the Hon. W. C. Edwards denounced him as an Empire breaker. In the *Queen's Quarterly* for October and at the Canadian Club in Toronto on Dec. 11th Prof. Shortt of Queen's University, Kingston, voiced the orthodox free trade view of the fiscal reform movement in Great Britain. In the October number of the *Edinburgh Review* Sir Charles Hibbert Tupper of Vancouver, warmly endorsed the movement. In the November issue of the *North American Review* the Hon. R. P. Roblin, Premier of Manitoba, wrote at length of the importance of the policy to the Canadian West and of the certainty of a safe food supply to the United Kingdom in the future from that part of the Empire. He dealt also with the tariff opinions and fiscal interests of the country.

To the Nelson (B.C.) *News* of Dec. 6th, Mr. G. O. Buchanan, President of the Associated Boards of Trade for Eastern British Columbia, opposed the proposals on the ground that closer union with England was not the destiny of Canada. Speaking at Charlottetown, P.E.I., on Dec. 2nd, Mr. R. L. Borden stated that while the Dominion Parliament was sitting he had approached the Premier and offered, on behalf of the Opposition, to support a Resolution favouring mutual Preferential tariffs throughout the Empire. Nothing had been done, however. As Opposition Leader

he would not move such a motion because the Government party would have voted it down and, though such action might have benefitted the Conservative party, it would have injured the movement in Great Britain. Lieut.-Col. Denison addressed a meeting at Lindsay on Dec. 8th and strongly urged sympathetic action on the part of Canada. During the able address delivered by Sir R. J. Cartwright at Toronto on Dec. 10th, he reviewed the proposed fiscal policy and came to the conclusion that it could be made to bring about reciprocity and close fiscal relations between Great Britain, the United States and Canada.

> One thing is very certain. You will not have any material effect on United States politics by taxing the manufacturers. If you want to hit the United States you must hit the United States farmer by putting a tax on the food he exports to Great Britain. Do that, and the protected manufacturers would have no status. In the case of the United States farmer there is no other market. France and Germany are closed to him by high tariffs and Russia is practically closed. Remember, this is one of the cases in which the prices received for foreign exports regulate the prices at home, and if once the United States farmer finds he loses 10 per cent. of his gross profits by taxes on food products in England, and loses 30 per cent. of the net profits he expected to make, and is also taxed for the goods purchased in exchange, there is little doubt that the people of Great Britain would get Reciprocity with the people of the United States.

This view was endorsed by the *Globe* and to the London *Times* of Dec. 14th Lord Mount Stephen wrote explaining the significance of any favourable expression of opinion in this respect from one with so strong a free trade reputation. Speaking at Leeds, on Dec. 16th, Mr. Chamberlain read from a letter written by the Hon. Mr. Fielding with the following reply to an inquiry as to whether the Canadian Government were going to make any statement on the subject: "That some difficulties might arise in the arrangement of the details of so large a scheme is to be anticipated, but surely it is not too much to believe that if the principle be approved, the intelligence of the British and Colonial public men can be relied upon to overcome them and put the project into practical form."

During the year a number of prominent Canadians visited Great Britain and nearly all of them expressed a belief to the papers on their return that Mr. Chamberlain would eventually win. Amongst these were Messrs. F. W. Thompson, D. A. McCaskill, E. S. Clouston, R. Meighen and Principal Peterson, of Montreal; Stapleton Caldecott, J. F. Ellis, A. B. Aylesworth, K.C., P. H. Burton, J. W. Bengough, G. R. R. Cockburn and Colonel W. D. Otter, C.B., of Toronto; and John Coates, and C. Berkeley Powell, M.P.P., of Ottawa. In the *Canadian Magazine* for December Sir T. G. Shaughnessy expressed sympathy with Mr. Chamberlain and belief in Canada's power to feed the British people; together with the opinion that it would not increase the cost of bread in Great Britain and that the Dominion would take fiscal steps to transfer much of its Foreign import trade to the Mother-

land. In the *Contemporary Review* for the same month, Mr. Edward Farrer endorsed the views of Mr. Goldwin Smith, ridiculed the idea of closer union, denounced the Preferential policy and intimated the greater probability of annexation to the United States.

Opinions of the Press and Boards of Trade

The press of Canada as a whole endorsed Mr. Chamberlain's proposals. The Toronto *News* (Sept. 19th) urged a Canadian contribution to Naval defence as one means of aiding the movement and, on Nov. 21st, published a list of $23,000,000 worth of imports which might be largely transferred to Great Britain by fiscal arrangements. The Toronto *Star* (L.) of Nov. 22nd, declared that Mr. Chamberlain was taking shape as the leader of a party with the whole Empire as its field. The Vancouver *Province* (L.) urged a generous arrangement for British manufactures and the Winnipeg *Telegram* (C.) put the matter as follows: "We can give, for one thing, exactly the same kind of preference that we get—a preference over foreigners. We can give an enlarged and rapidly expanding market for the kinds of goods we now purchase from Great Britain; for that would be one consequence of the great increase in immigration that Mr. Chamberlain's policy would cause. We can give the reduction or abolition of duties now levied upon British imports which are not of a class manufactured in Canada."

The Montreal *Herald* considered that Canada had shown the way and the next move should be by Great Britain. The Stratford *Beacon* suggested a preference, on either side of an independent and voluntary character, without negotiations or bargaining. The St. John *Gazette* urged Canadian action and the Ottawa *Free Press* thought inaction the most proper position. The St. John *Globe* opposed the policy as a whole, the St. John *Telegraph* was indifferent, the Montreal *Witness* was friendly but pessimistic. These latter papers were all Liberal in opinion. Conservative papers such as the Montreal *Star,* Toronto *Mail and Empire,* Halifax *Herald,* St. John *Sun,* Quebec *Chronicle,* Hamilton *Spectator* and Toronto *World* were more or less enthusiastic in their support and the last-mentioned had a series of able editorials on the subject.

A large number of Boards of Trade passed favourable Resolutions during the year. That of Montreal took action on May 28th and the Vancouver Board followed on June 2nd. To the latter Mr. Chamberlain wrote in response that he "deeply appreciated the support and encouragement accorded to him by his Colonial fellow-subjects." The Sydney, N.S., Board of Trade on June 24th; that of Winnipeg on June 30th; that of Toronto on Oct. 30; that of Nelson, B.C., on Nov. 11th; that of Brantford on May 16th; passed strongly favourable Resolutions. On the last-mentioned occasion the President, Mr. Lloyd Harris, pictured a time, 25 years ahead, when Australia would have 15,000,-

000 people, South Africa 20,000,000, Canada 25,000,000 and Great Britain 50,000,000, "all trading together freely and supplying each other with the goods they can each produce to advantage." The Ottawa Board followed suit at a very large meeting on Nov. 13th; that of Montreal for a second time, on Nov. 18th; that of Victoria, B.C., on Nov. 20th; and Winnipeg for a second time on Nov. 25th. Hamilton followed on Nov. 30th and Stratford on Dec. 6th.

Opinion in Australia and South Africa

There was a curious approximation in Australia to Canadian opinion during the year regarding Mr. Chamberlain's proposals. Where there was opposition it came from extreme free traders or extreme protectionists. The manufacturers appeared to take much the same position as in Canada while the politicians had to deal with a promised Colonial Preference as in Canada with an accomplished one. In the Dominion a general election was expected; in Australia it was held. Speaking on Feb. 19th, Sir William Lyne, a member of the Commonwealth Government, stated the average tariff to be 16 per cent. and hoped for a protectionist one at some future day. After Mr. Chamberlain had made his Birmingham speech various political leaders were interviewed on May 18th by a representative of the *Times*. Sir Edmund Barton, the Federal Premier, at once proclaimed his adhesion to the new policy.

> For the first time it is specially laid down by a powerful British Minister that the United Kingdom ought not to stand by and see any part of Greater Britain punished by Foreigners for preferring its kinsmen; that the interests of the partners of the Empire are paramount over fiscal theories; and that threats of retaliation made on the assumption of a contrary view would be idle vapourings if the whole Empire were prepared to defend its cohesion in trade as well as in territory. The principle is not affected because in its application we cannot ignore the fact that great Colonies like Canada and Australia must necessarily raise large Customs revenues where they are protecting their own industries. Within the operation of that necessity there is room for giving a preference to the productions of the Empire, whether they be food supplies or finished manufactures.

The Hon. J. G. Jenkins, Premier of South Australia, the Hon. W. H. James, Premier of Western Australia, the Hon. R. Philp, Premier of Queensland, and the Hon. W. B. Propsting, Premier of Tasmania, all endorsed the principle of Preferential tariffs. On May 28th, Sir John See, Premier of New South Wales, in a speech at Walgett, warmly advocated an Empire fiscal system such as was hinted at by Mr. Chamberlain. Speaking elsewhere Sir Philip Fysh, a Federal Minister, expressed doubt as to its possibility though not antagonism to the principle. To the Sydney *Herald* on May 31st, Mr. George H. Reid, Leader of the Federal Opposition and Free-trade party, gave a long interview dealing with the policy which had been announced in England with such "theatrical suddenness." He dealt with the mar-

vellous progress of England under free trade; the great gravity of any change in its system and the serious doubt whether such a change could be beneficial; the splendid example hitherto set by England to the nations and the fact that she could even now experiment fiscally with the immense population of India. He deprecated the "open-door" policy and eulogized the system of free and cheap food; declared his belief that protection and conscription in England would go together and that the Canadian Preference had been worthless. His own policy was simple. "Where there is a protective tariff there ought to be a preference but where there is a sound revenue tariff there should be none."

As I have said, so far as the self-governing States are concerned they have always got a great deal more out of the Mother Country than the Mother Country has got out of them. My feeling right through, therefore, is not one of anxiety about the self-governing States. My anxiety is as to the happiness and security and welfare of the people of the United Kingdom. We Colonists can look after ourselves. But it is for those who really maintain the gigantic burdens of the Empire—that is to say the people of the Mother Country—that one must feel grave concern when projects are proposed which may lead her into the downward path.

On June 4th, the Hon. Alfred Deakin, Acting-Premier of Australia, cabled to Mr. Chamberlain the approval of the Commonwealth and State Governments, both as to Preferential trade and as to Imperial action regarding Canada and Germany. The policy could at any time receive the endorsation of Australia. On the same day the Rt. Hon. C. C. Kingston, Minister of Trade and Customs, made a similar statement in the House of Representatives, while the New Zealand Chamber of Commerce passed enthusiastic Resolutions of approval. There was doubt expressed in some Australian despatches, however, as to whether Mr. Deakin's assertion was not too sweeping. On June 7th, Mr. Thomas Waddell, State Treasurer of New South Wales, endorsed the proposals in a speech and Mr. R. J. Seddon, Premier of New Zealand, followed suit in his country with enthusiasm and the announcement of an immediate preferential policy on their own account. To the *Daily News* of June 9th, Lord Hampden, who had some years before been Governor of New South Wales, declared that his Australian experience had convinced him that the people there would never accept a closer political union and he doubted the practicability even of present proposals.

At Adelaide, on June 18th, the Council of the Chambers of Commerce of Australia refused to accept a motion condemning the policy but passed one approving its "earnest and thoughtful consideration." The Melbourne Chamber, on July 21st, favoured a Commonwealth Commission of Inquiry into the subject and on Aug. 12th, delegates from the Chambers of Manufacturers of Queensland, New South Wales, Victoria and South Australia, meeting at Melbourne, passed a Resolution earnestly supporting "the policy of trade preference within the British dominions,

consistently with full preservation of the industries of the Commonwealth, to the end of strengthening and developing production, manufacturing, traffic, and commerce within the Empire." In the same City on Aug. 27th, a Conference of Inter-state Protectionist Associations passed the following Resolution: "That this Conference of representatives of the Protectionist Associations of the Commonwealth strongly recommends that the main policy at the coming elections shall be the maintenance of protection and fiscal peace, and is also strongly in favour of Mr. Chamberlain's policy of a reciprocal and preferential free trade." The Australia *Review of Reviews* for August declared in this connection that "what Australian protectionists will accept is the doubling of the existing tariff against all foreigners but no lowering of the present tariff against Great Britain."

A free trade demonstration was held in Melbourne on Sept. 3rd and Sir William McMillan spoke at length from the British free trade standpoint. To him, at intervals, Mr. Chamberlain's policy was preposterous nonsense, a mistake, unchristian, and a decadent thing. In a volume issued in London on Sept. 29th, the views of the Right Hon. G. H. Reid, Sir William McMillan, Senator Sir Josiah H. Symon, Mr. Dugald Thomson, M.P., Mr. Bruce Smith, M.P., and other Australian politicians, were published as indicating the Commonwealth's opposition to Preferential tariffs. During the ensuing general elections Mr. Deakin's platform in this respect was moderate protection and a British preference; Mr. Reid's was a low revenue tariff. At Sydney on Nov. 4th, the Premier named the two sides as "National Traders" and "Foreign Traders" respectively, and urged the clasping of hands with the Mother-land rather than the sacrifice of their country to abstract theories. In this advocacy he was a legitimate successor to Sir Edmund Barton to whose place he had succeeded in September.

On Nov. 20th, the New Zealand House of Representatives adopted a Preferential tariff measure placing duties of from 20 to 50 per cent. on a large number of articles now coming in free from Foreign countries and giving British preferences in other directions. It finally became law and was announced by Mr. Seddon as a new link in the accomplishment of Mr. Chamberlain's policy. The results of the general elections in Australia on Dec. 16th, showed a large Labour gain. In the Senate the Ministerialists numbered 5, Opposition 4, Labour 10. In the House of Representatives the Ministerialists stood at 30, Opposition at 26, Labour at 18. To the *Times* correspondent on Dec. 24th Mr. Deakin stated that Mr. Chamberlain's policy "was supported by the whole Ministerial party in Australia, by a majority of the Labour party and by an influential minority of the Opposition." As to the Australian press opinion was in a somewhat fluid state during the year but the antagonism of two of the most powerful papers—the Sydney *Herald* and Melbourne *Argus*—was pronounced.

In South Africa, Sir J. Gordon Sprigg, the Premier of Cape Colony, had long been in favour of some such policy, as had Dr. Jameson, Leader of the Progressives. On May 18th, Mr. J. H. Hofmeyr, the Bond Leader, told the *Standard* correspondent that he favoured a reciprocal Preferential system; as did the Hon. Dr. Smartt, of the Progressive party, who also supported aid in a naval and military sense. In the Transvaal Sir George Farrer and other leaders favoured the proposals. The *Cape Times* supported Mr. Chamberlain while the *South African News* (the Bond organ) bitterly opposed him and described the Colonial Secretary as having "drunk too deeply of the strong waters of sensationalism." Sir Albert Hime, Premier of Natal, favoured the proposals. In London, the Agents-General of Cape Colony and Natal both supported the policy in public interviews.

United States' Opinion of the Policy

American comments upon this subject were very numerous. The New York *Sun* on May 30th, expressed much sympathy for the unfortunate British workmen under an increased cost of bread incurred to aid Canadian wheat production; the New York *Times* thought the policy might make it desirable to discuss Reciprocity but, in the meantime, it doubted Mr. Chamberlain's success against the fact of higher food prices; the New York *Tribune* was rationally sympathetic and broad-minded in its treatment of the subject; the New York *Herald* (a protectionist paper at home) thought it would mean to Britain dearer food, higher wages, increased cost of production and decreased trade; Harper's *Weekly* deplored the tendency of the proposals and declared Canada to be the motive power; the *North-Western Miller* was seriously alarmed for the United States flour trade, of which it declared the proposed duties would ruin about 75 per cent., and threatened retaliation by abrogation of the bonding privileges to Canada, by special preferences to United States shipping and by co-operation with other countries in reducing the food supplies to Great Britain. In this way they would "force a repeal of the discrimination by the aid of actual famine."

The Philadelphia *Post* took a similar line and threatened cancellation of the bonding arrangements, higher tariffs, and legislation discriminating against British investments in the United States; the Cleveland *Plaindealer* declared Canada a hostage in this matter and that she would be made to "pay the piper;" the New York *Sun* (Oct. 4th) thought the new proposals would ruin the feeling which was growing up in the United States favourable to a British alliance; the *Commercial West*, of Minneapolis, declared that the policy would be a calamity to the American wheat trade; the Boston *Advertiser* thought Mr. Chamberlain the brains and brawn of an effort to drive the United States out of the Fisheries, out of Alaska, out of the Canadian market, and to build up Canada at the expense of the Republic; the New York *Commercial Advertiser* saw personal ruin for Mr. Chamberlain and

apples of Sodom for his policy; the Philadelphia *Press* thought the future fight would be a bitter one as one-third of their exports went to Great Britain and half of them would be taxed; the New York *World* declared that "protection turned against us by our best customer abroad may take on a different complexion"; the Boston *Herald* deplored the serious loss which would ensue to the British people and their consequent rapid industrial decline.

In the United States Senate on Nov. 23rd, Mr. Hale of Maine predicted that the result of such a policy would be a tariff war which would throw Canada ultimately into the American Union; and two days later Mr. Carmack of Tennessee described it as "a staggering blow to our agricultural industries but the beginning of a more liberal fiscal policy through the victory of the Democratic party in the next United States elections." A special despatch from Washington to the Vancouver *Province* on Oct. 14th had the following interesting statement: "The recent move on the part of Mr. Joseph Chamberlain and Mr. A. J. Balfour in declaring for protection to the industries of the British Empire, as against all foreign competition, has caused more anxiety in the United States than any economic or political movement which has occurred in any European country for a century."

The Hon. George E. Foster aids Mr. Chamberlain

There were several Canadians participating in Mr. Chamberlain's campaign during 1903. Mr. J. W. Bengough aided his Committee with cartoons for a time; Mr. Barlow Cumberland spoke at a number of places; Sir Charles Tupper addressed meetings at Plumstead, London and elsewhere; Mr. Andrew Pattullo, M.P.P., prior to his lamentable death, spoke at Richmond, Leyton and other towns. But the speeches of the Hon. George E. Foster constituted a carefully-arranged and definite campaign. Though of brief duration it was unquestionably effective. On Oct. 10th it was announced in Toronto that he had received a special invitation to aid in presenting the subject to the British electors—primarily from a Colonial standpoint—and on Nov. 4th he made his first speech at Newport. Following this were a number of meetings attended by a total of at least 100,000 people and accompanied with an excellent and, at times, enthusiastic reception. A special cable to the Montreal *Star* on Nov. 23rd declared him to be easily first after Mr. Chamberlain amongst the Tariff reform speakers. The meetings addressed were as follows:

Nov. 4, Newport.
" 5, Cardiff.
" 6, Tunbridge.
" 9, Loughborough.
" 10, Fleetwood.
" 11, Lancaster.
" 12, Sunderland.
" 16, Edinburgh (2).
" 17, Dundee.
Nov. 18, Darlington.
" 19, Guiseborough.
" 23, Oldham.
" 24, Peterborough.
" 25, Nottingham.
" 26, London.
" 27, do
" 30, Liverpool (2).
Dec. 2, do

At Cardiff, Mr. Foster defined Patriotism as the spiritual

blood of the Empire and commerce as its commercial blood. At Loughborough he declared that in ten years Canada would grow all the wheat the British people could eat if a Preference were given. He pointed out that if 150,000 Foreign workmen were suddenly transplanted to England the Labour organizations would be up in arms; yet they would admit free the productions of the same 150,000 workmen located in a Foreign country which taxed their goods heavily in return. At Sunderland he claimed that if it was an Englishman's right to buy where he pleased it should also be his right to sell where he pleased. Dundee gave Mr. Foster a pronounced reception and his speech was specially pointed. He asked his audience if anyone could mention any country in the world with which Great Britain enjoyed free trade; denied that British prosperity was due to free imports or that the price of wheat was altogether controlled by fiscal matters; instanced the fact that in 1868 it cost 4s. 11½d. to take a quarter of wheat from New York to Liverpool and in 1902 cost 11½d.; declared that a living wage depends upon the possibility of making a living profit; and claimed that free trade was not a religion, or a matter of morality, or a revelation from Heaven as some people seemed to think.

During his speech at Edinburgh he gave the following definition of conditions: "Free trade in its broad extreme was the destruction of nationality, the triumph of individualism. But today, if there was any tendency he took to be stronger than another it was the striving of nations and nationality for enduring, permanent life." At Nottingham, he made this comment: "Exchange was trade and trade was exchange but put the word 'free' before each and see where they would be." There was no free exchange in existence for the Englishman. At Liverpool, he told his audience that business had become nationalized and it was now the Englishmen as individuals against Foreigners backed by their respective nations. In this City a luncheon was given by Sir Alfred L. Jones, K.C.M.G., to the Duke of Sutherland, President of the Tariff Reform League, and Mr. Foster.

On Dec. 1st, the latter gentleman visited Mr. Chamberlain at Highbury and two days later sailed for home. One quotation from the many press comments may be given here. The Edinburgh *Dispatch* described his meeting in that City, referred to Mr. Foster as a "powerful personality," and proceeded as follows: "Mr. Foster came unheralded, but only a short time had elapsed ere he had worked up the enthusiasm of his great audience to an exceptional pitch. As an orator he has, perhaps, few equals among our own Parliamentarians, and his marshalling and exposition of his facts were admirable and, to judge from the response of the meeting, convincing." There was, of course, some criticism and Mr. Alfred Emmott, Liberal M.P., for Oldham, referred to this intervention in British politics as "a gross impertinence." On Nov. 30th, the Executive of the Tariff Reform League passed a

Resolution of grateful thanks, described Mr. Foster's "unfailing cordial reception" by his audiences, mentioned many letters received about his "clear and convincing oratory" and expressed the hope of having his aid again. On Dec. 11th, he arrived in Toronto again and was at once interviewed by all the papers. He was very hopeful as to the result of Mr. Chamberlain's campaign. He might succeed soon; it might take time. But success was reasonably certain.

Upon his arrival home Mr. Foster was at once asked to deliver addresses in various centres. On Dec. 14th, he spoke at Montreal with Mr. D. A. McCaskill, President of the Sir John Macdonald Club, in the chair. He dealt with the enormous changes of fifty years in the political and fiscal world and the necessity of some change in British ideals to meet them; declared that otherwise the Mother-land would be out-classed in the race of empires now proceeding; referred to Mr. Chamberlain's many assurances that he had no wish or thought of touching by an item or an atom the fiscal and political liberties of the Colonies; denounced Mr. Charlton for his American advocacy and the current talk about treaty-making power; and outlined Canada's great possibilities under an Imperial fiscal system.

At Toronto Mr. Foster addressed the Empire Club on Dec. 17th, with Lieut.-Col. James Mason in the chair. He described Mr. Chamberlain's magnificent working organization and made the following reference to Canada's position in the matter: "I feel that, with the respect which all Englishmen have for authority, the campaign of Mr. Chamberlain could have been advanced at least 50 per cent. if the Government of this country had made one definite denial of the statements of Lord Rosebery, Mr. Asquith, Sir William Harcourt and Sir H. Campbell-Bannerman, that the Colonies did not want a preference." At Ottawa, on Dec. 21st, he spoke to the Canadian Club, presided over by Lieut.-Col. Percy Sherwood, C.M.G., and took occasion to oppose Sir Richard Cartwright's idea of using the projected policy to effect closer relations between Great Britain and the United States. "I am in favour of a preference to end within the Empire. If Canada is to be used simply as a pawn, I object."

The Chambers of Commerce of the Empire Congress

The Fifth annual meeting of the Chambers of Commerce of the British Empire was held at Montreal during the four days of August 17th and 20th. It was a notable gathering in every way—important from its being the first one held outside the bounds of Great Britain; from the character and number of the attendance; from the interest, and even enthusiasm, which marked its discussion of various subjects; from the nature of the Resolutions passed, and the pivotal period in which the Congress met. The Hon. President was Lord Strathcona and Mount Royal; the President, Lord Brassey, K.C.B.; and the Honorary Vice-Presidents included a large number of British noblemen and gentlemen prom-

inent in public affairs as they touched the government or guidance of the external Empire. The Chairman of the Organizing Committee in London was Mr. T. F. Blackwell, and the Deputy Chairman, Mr. W. H. Willans. The Canadian Committee of Arrangements was composed of Mr. A. J. Hodgson, President of the Montreal Board of Trade, as Chairman, and Mr. George Hadrill as Secretary, together with the Hon. R. Prefontaine. K.C., M.P., the Hon. Robert Mackay and Mr. R. Bickerdike, M.P., representing the Dominion Government; Messrs. George E. Drummond, William I. Gear, James Davidson, Herbert B. Ames and Alex. McFee, representing the Montreal Board of Trade; Messrs. D. Masson, H. Laporte and the Hon. A. Desjardins, representing La Chambre de Commerce of Montreal.

A very large number of Resolutions were sent in to the Secretary by various Boards of Trade and Chambers of Commerce prior to the time of meeting. The favourite subject was that of the Commercial relations of the Empire, and in this connection the Canadian Manufacturers' Association, the Montreal, St. John and Winnipeg Boards of Trade, together with La Chambre de Commerce of Montreal, asked for a British preference for Colonial products; the Vancouver Board endorsed Mr. Chamberlain's principles and asked for a Royal Commission, representative of the Empire, to take evidence upon the subject; the Bury (Lancashire) and Birstall (Yorkshire) Chambers suggested a Committee of the Congress to appoint a sort of travelling Commission to study and collate the facts of Empire trade and commerce; the Belleville and Orillia Boards asked for a Preferential system on the basis of free trade within the Empire; the Manchester Chamber of Commerce declared that any arrangement involving British duties on food would injure the industrial interests and wage-earning classes of the United Kingdom and, in doing so, hurt the best market the Colonies now had. Incidentally, the St. John Board of Trade suggested that the present Preferential tariff in the Dominion should only apply on imported merchandise which came into Canada through Canadian ports.

Upon the matter of Empire defence .the Canadian Manufacturers' Association and the Montreal Board of Trade declared that the Colonies should contribute to its maintenance; La Chambre de Commerce of Montreal urged that much had already been done, and that the Colonies should retain their liberty as to the time and nature of future aid; the Belleville Board advocated direct contribution to the maintenance of the Imperial Navy. In connection with the Consular Service of the Empire, the Barnsley Chamber of Commerce urged an effective reorganization, the Canadian Manufacturers' Association suggested the establishment of Intercolonial Commercial Consuls, and La Chambre de Commerce of Montreal asked for the recognition by Foreign Governments of Colonial Commercial Agents. Reform in the Imperial Postal system was asked by the Birmingham Chamber, which wanted

The Montreal Meeting of the Congress of Chambers of Commerce of the British Empire, August 17-21, 1903.

the United Kingdom to assimilate its newspaper rates with those of Canada, and by the Canadian Manufacturers' Association and the Montreal and Orillia Boards, which urged postal encouragement for British papers and periodicals coming to Canada.

A fast Atlantic Steamship Line was advocated by Resolutions of the Canadian Manufacturers' Association, the London, Dublin and Liverpool Chambers of Commerce, and the Montreal, Halifax and Quebec Boards of Trade. The adoption of the Metric System of Weights and Measures throughout the Empire was urged by the Birmingham, Cardiff and Montreal Chambers of Commerce, and by the Canadian Manufacturers' Association and the Vancouver, Quebec and Halifax Boards. An Imperial and uniform Naturalization Law was proposed by the Toronto and Kaslo Boards of Trade; a codification of the Commercial laws of the Empire was suggested by the London Chamber and the Belleville Board; a removal of the restrictions upon Canadian live cattle entering Great Britain was urged by the Liverpool Chamber and the St. John and Brantford Boards; encouragement to commercial and technical education was advocated by the Liverpool Chamber and the Belleville and Vancouver Boards; legislation for the settlement of Labour disputes and the prevention of strikes throughout the Empire was proposed by the Belleville and Vancouver Boards; careful Imperial effort to protect and extend the interests of the British trader in China was urged by the Vancouver and Winnipeg Boards; Imperial legislation for the abolition of Light Dues upon British shipping was suggested by the Cardiff Chamber and the Chamber of Shipping of the United Kingdom; British encouragement of emigration to the Colonies instead of to Foreign countries was pressed by the Canadian Manufacturers' Association and the Toronto Board of Trade, while the Northern India Chamber urged that the emigration of Coolies from India to British Colonies, under restrictions enforcing return to India was of mutual advantage; representations as to future Treaties leaving Imperial fiscal freedom of action unhampered, and obtaining for British Colonies most-favoured-nation treatment in certain cases, and some specified bill-of-lading privileges at French ports, were suggested, respectively, by the Canadian Manufacturers' Association and the British Chamber of Commerce in Paris. Many proposals were put forward by individual bodies which were distinct in their details from other suggestions.

Sixty-eight Chambers of Commerce or kindred Associations in the United Kingdom appointed Delegates; six in South Africa and ten in Australia and New Zealand; sixty-six in Canada and three in the West Indies. The British Chambers of Commerce at Alexandria, Egypt, and Paris, France, were also represented. Lord Strathcona opened the Congress with a careful and most judicious speech and was followed by Lord Brassey who spoke at some length and dealt with Imperial sentiment as a thing apart from tariffs. Other speakers on the first day were Messrs. G. E.

Drummond, Edward Gurney and H. A. A. Brault, Lieut.-Col. W. N. Ponton, Lieut.-Col. G. T. Denison, Mr. C. A. Birge, Mr. Alex. McFee, and Mr. D. R. Wilkie, of Canada; Messrs. S. Humphries, J. H. Mullins, S. B. Boulton, James Cormack, G. H. Hogg, R. H. Dawe, T. V. S. Angier, E. Parkes, M.P., J. S. Dronsfield, George Cawley, and Lieut.-Gen. J. W. Laurie, M.P., of Great Britain; with Messrs. O. E. Bodington and J. L. Pollock, of the British Chambers of Commerce in Paris. On Aug. 18th, Messrs. Joseph Walton, M.P., Elijah Helm, Charles Lancaster, T. M. Heywood, J. Cormack, E. Parkes, M.P., and S. W. Royse, were the British speakers—apart from the great tariff debate—and Colonel Ponton, Mr. Bennett Rosamond, M.P., the Hon. Alphonse Desjardins, J. C. Miller, R. Bickerdike, M.P., and Lieut.-Col. J. B. McLean, the Canadian speakers. Mr. Edgar Tripp of Trinidad also spoke.

On the third day, Mr. Robert Reford of Montreal, Mr. J. E. deWolfe of Halifax, Lieut.-Gen. Laurie, M.P., Mr. T. V. S. Angier of London, Mr. C. Lancaster of Liverpool, Mr. G. E. Davis of Bristol, Mr. F. J. Usher of Dublin, and Messrs. G. H. Dobson and G. Roberston, M.P.P., of Nova Scotia, spoke on transportation and trade. After the close of the tariff debate on Aug. 20th, Mr. R. Bickerdike, M.P., and Mr. J. Lockie Wilson, Messrs. J. X. Perrault, Joseph Haynes and Senator Drummond of Montreal, the Hon. W. Ross of Halifax, and Messrs. G. R. Crowe and C. A. Young of Winnipeg, Colonel Ponton of Belleville, and Messrs. George Anderson, D. E. Thomson, K.C., and W. P. Gundy of Toronto were the chief Canadian speakers; with Mr. Parkes, M.P., Messrs. S. B. Boulton, J. C. Pillman, F. W. Cook, W. B. Blaikie, and C. Lancaster from Great Britain. The addresses of the last day were all very brief and dealt with a great variety of Resolutions. The central subject of discussion was, however, that of the fiscal condition of the Empire. It took up nearly the whole day on Aug. 18th, a good part of the next, and was concluded with a compromise Resolution on the succeeding day.

The debate turned on a Resolution presented in an eloquent speech by Mr. W. F. Cockshutt of Brantford and which declared that in the opinion of the Congress the Empire would be strengthened and its union consolidated by "a commercial policy based upon the principles of mutual benefit"; and urged upon the Imperial Government the appointment of a Commission, composed of representatives from all parts of the Empire, to investigate the possibilities of such a trade policy. This was assumed to be an endorsation of Mr. Chamberlain and it evoked all kinds of free trade and protectionist arguments. Mr. N. L. Cohen of London seconded the Resolution and the Hon. G. A. Drummond and Mr. R. Meighen of Montreal and Mr. S. B. Boulton of London supported it. Sir W. H. Holland, M.P., followed in strong and able disapproval of all that the Resolution was supposed to represent. He employed the chief British free trade arguments as did Mr.

Amos Crabtree of Brantford, Mr. Walton, M.P., and Mr. G. H. Hogg of Tynemouth. Messrs. H. M. Belcher of Winnipeg and P. W. Ellis of Toronto supported Preferential tariffs and were endorsed by Mr. George Hirst of Bristol, Mr. E. Parkes, M.P., of Birmingham, Mr. O. E. Bodington of the Paris Chamber, who disliked "unanimous platitudes," and Mr. F. J. Usher of Dublin.

A great number of other speakers followed including Mayor Graham of Belleville, Colonel Denison of Toronto, Messrs. G. E. Davis of Bristol, John Patterson of Glasgow, Sanford Evans of Winnipeg, J. Stephen Jeans of England, Alex. McNeill of Wiarton, E. Lilienfield of Pretoria, South Africa, C. Lancaster of Liverpool, S. W. Royse of Manchester, W. B. Peacock of Tasmania, and Hon. T. A. Brassey of London. Finally, Lord Strathcona presented an amendment which had been agreed to by Sir William Holland and Mr. Cockshutt and it carried unanimously as follows:

It is resolved, that in the opinion of this Congress the bonds of the British Empire could be materially strengthened and the union of the various parts of His Majesty's dominions greatly consolidated by the adoption of a commercial policy based upon the principle of mutual benefit, whereby each component part of the Empire would receive a substantial advantage in trade as the result of its national relationship; due consideration being given to the fiscal and industrial needs of component parts of the Empire.

That this Congress urges upon His Majesty's Government the appointment by them of a special Commission composed of representatives of Great Britain and her Colonies and India to consider the possibility of thus increasing and strengthening the trade relations between the different parts of the Empire and the trading facilities within the Empire and with Foreign countries.

Resolutions of the Montreal Congress

Preceding and following the passage of this Resolution a large number of others were agreed to and will be found summarized below. Then, after sending a loyal message to His Majesty the King; recording its thanks to Lord Strathcona and Lord Brassey; attending a banquet given in the Windsor Hall and addressed by the Governor-General, the Prime Minister, Lord Strathcona, Lord Brassey, Mr. R. L. Borden M.P., Mr. A. J. Hodgson, Sir W. H. Holland, Hon. S. A. Fisher, M.P., and others; the great bulk of the members went on a trip to the Pacific Coast. The arrangements were in charge of Ald. H. B. Ames of Montreal and between Aug. 24th and Sept. 21st, the party visited or were entertained at Toronto, Hamilton, Niagara Falls, London, Windsor (including Detroit), Winnipeg, Calgary, Banff, Vancouver, Victoria, Sault Ste. Marie and Ottawa. They also toured the mining region of British Columbia and spent a brief interval in Muskoka, Ont. The visitors were given a Luncheon at Winnipeg on Sept. 1st, with Mr. G. R. Crowe as the chief local speaker; a banquet at Vancouver on Sept. 11th with notable speeches by Sir C. Hibbert Tupper and Mr. M. DeP. Webb of Karachi, India; a

Reception by La Chambre de Commerce of Montreal on Sept. 23rd. Some of the Delegates were at St. John on Sept. 8th and at Halifax on the following day and a second party at the end of the month. The following is a synopsis of the Resolutions passed by the Congress:

1. Favouring closer trade relations between the countries of the Empire.

2. Describing the importance of a safe and ample food supply to the United Kingdom and to that end and for the development of the Colonies favouring the diversion of emigration to the Dominions beyond the Seas rather than to Foreign countries.

3. Supporting the idea of a continuous chain of State-owned cables and telegraphs to connect British communities around the globe ; in the interest of lower rates, closer commercial, social, political and military union.

4. Urging the freer interchange, on more even terms with Foreign publications, of the newspapers and periodicals of British countries.

5. Favouring a policy which would secure and retain various lines of steamships between British countries in the interests of a fast mail service and of trade development.

6. Suggesting Legislative action throughout the Empire in the encouragement of voluntary Conciliation Boards in connection with Labour disputes ; and the incorporation and registration of all Labour Unions and Masters' Trades Associations.

7. Urging the Assimilation of Patent laws wherever possible.

8. Protesting against existing restrictions on the importation of Canadian cattle into Great Britain and urging reconsideration of the regulations.

9. Approving the encouragement of commercial education and suggesting that Chambers of Commerce should be represented upon Boards of Education.

10. Approving Colonial participation in the defence of the Empire with due regard to local initiative and methods of action.

11. Declaring itself against any future treaty-making which might hamper British countries in arranging their relations to suit themselves.

12. Asking the Foreign Office to arrange with France for a lifting of the additional tax imposed upon goods coming from British Colonies through a European (U. K.) port instead of direct.

13. Asking the British Government to take immediate steps to obtain the most-favoured-nation treatment for British Colonies from those countries which grant that treatment to Great Britain.

14. Favouring the extension of commercial treaty rights and the reorganization of the Consular service so as to better promote Empire trade.

15. Urging the British Government to abolish Light Dues upon Merchant shipping in the interest of the fair competition of British shipowners with their Foreign rivals.

16. Favouring the compulsory adoption of the Metric system of weights and measures and the Decimal system of currency within the Empire.

17. Declaring that in the British Empire there are sufficient natural resources to supply the United Kingdom with all its food.

18. Favouring a preference to British subjects in the granting of contracts for Imperial public works.

19. Urging the importance of incorporating Newfoundland with the Canadian Dominion.

20. Approving a unification of the Naturalization Laws of the Empire.

21. Favouring uniform laws for the registration and protection of trade marks throughout the Empire.

22. Approving the early enactment of a Dominion Bankruptcy Law.
23. Indorsing the British policy of opening up China to trade and commerce and urging full protection to the British traders in China, Manchuria, Corea and Siberia.
24. Urging the Canadian Steamship Lines to discontinue the insertion of the London clause in bills of lading.

The Work of the Canadian High Commissioner

Lord Strathcona did much work for Canada and her varied interests during the year. Letters written by him to the press kept the British public informed from time to time as to emigration conditions in Canada, the situation regarding its Preferential tariff and the progress of its trade and commerce. On May 25th, he presided at the inaugural dinner of the Canadian Society; on July 1st he was Chairman of the annual Dominion Day banquet and strongly endorsed Mr. Chamberlain and his Preferential policy; at the same time he exchanged cabled greetings with Sir Wilfrid Laurier who hoped in reply that he would long continue to aid Canada's prosperity by remaining at his post; on Aug. 4th he gave an interview to the *Daily Graphic* expressing his belief that the United States would not and could not resent a British perferential arrangement for the mutual interests of its various countries, similar in principle to that existing amongst their own States; on Aug. 6th, he celebrated his 82nd birthday and two days later sailed for Canada.

In Canada Lord Strathcona took an active and peace-making part in the discussions of the Chambers of Commerce Congress on Aug. 17-21st. On Aug. 30th, he opened the Dominion Exhibition in Toronto. At the Directors' Luncheon an Address was presented to "Canada's Grand Old Man" of the most eulogistic description and in his reply he repeated the statement that in a few years Canada could supply all the wheat required by Great Britain. In this speech, and in that opening the Exhibition, he showed a most buoyant optimism as to everything Canadian. In the evening he was banqueted at the National Club and on the following day at a special Convocation was made an Hon. LL.D. of the University of Toronto.

After his return to England Lord Strathcona, on Oct. 30th, presented the Agents-General of all the Colonies to the new Colonial Secretary at the Colonial Office and read an Address summarizing the condition and development of the Empire and its growing unity. On Nov. 18th he presided at a London meeting to hear the question of "Food-stuffs in time of war" discussed and in the evening attended a farewell reception by Mr. Chamberlain and delivered a sympathetic and regretful address on behalf of the other Colonial representatives. On Dec. 4th, the Canadian High Commissioner was especially honoured in Edinburgh by the presentation of the freedom of that City and at a banquet in the evening made a speech describing the great progress and position of Canada. In the afternoon he had dealt with the subject of Scotchmen as Empire-builders.

Tendencies toward Independence Discussed in Canada

As a result of the keen resentment aroused in certain quarters by the Alaskan Award, there was some discussion during the year of a subject which had hitherto been deemed academic in its nature. The newspapers of the country indicated a good deal of loose talk "on the street" in this connection but very few of them favoured the idea editorially. Then came the Columbia-Panama incident and the object lesson which was printed upon the popular mind as to the measure of "independence" possessed by a small nation alongside of the United States. The Toronto *Star* of Dec. 10th, put the matter thus: "We are neighboured on the south by a war power. We would be no more surely so if the German army marched and counter-balanced on our borders. The conditions of Europe have been imported into America; and the American Republic has done the importing."

About the earliest observation along the Independence line during 1903 was that of Mr. Goldwin Smith in the *Weekly Sun* of Aug. 26th. He denounced the late War and Mr. Chamberlain in his usual terms and then proceeded: "The moral surely is, not that the interference of the Colonial Office with the affairs of free Colonies should be increased, but rather that independence should be made complete; and that people who are at least on a level in average intelligence with those whom the Colonial Secretary represents should be entrusted with the management of their own affairs." A more important and representative utterance than this was the pronouncement of the Canadian National League, working under the auspices of Mr. Bourassa, M.P., and supported by the organizing efforts of some enthusiastic young French-Canadians. Its platform, as published on Oct. 10th, did not advocate Independence, but it may safely be quoted in this place as constituting a tendency in that direction:

1. POLITICAL AUTONOMY.

(*a*) Absolute maintenance of the political rights and liberties which belong by right to all the autonomous colonies of Great Britain and which the constitution of 1867, in the estimation of its authors, should have secured to Canada.

(*b*) Opposition to all participation of Canada in the deliberations of the British Parliament or of any Imperial Council, permanent or periodical.

(*c*) Consultation of Parliament by the Government of the day on the advisability of participating in any extraordinary Conference of the countries owning British allegiance and absolute publicity of the deliberations and decisions of such Conferences.

(*d*) Absolute liberty to regulate our immigration from the exclusive standpoint of our own interests.

(*e*) Production at each Session of the Federal Parliament of all correspondence or official documents exchanged between the Canadian Government and the Colonial Office or with the Governments of any other British Colony.

(*f*) In the event of constitutional conflict between the Federal Government and the Provincial Governments, the direct invocation of the judgment of the Imperial Privy Council. In all other cases,

restriction of appeals to Provincial Courts on Provincial laws and to Federal Courts on Federal laws.

(*g*) The right of representation at any Congress where Canadian interests will be at stake, with the provision that Parliament shall be first consulted to declare whether this right shall be availed of.

2. COMMERCIAL AUTONOMY.

(*a*) Absolute power to make and terminate our treaties of commerce with all countries, even including Great Britain and her Colonies.

(*b*) Power to appoint our own commercial agents in all parts of the world.

3. MILITARY AUTONOMY.

(*a*) The absolute abstention of Canada from any participation in any Imperial wars beyond the limits of Canadian territory.

(*b*) Resistence to all attempts to make Canada a recruiting ground for the British Army.

(*c*) Opposition to the establishment of any Naval school in Canada with the assistance and for the benefit of the Imperial authority.

(*d*) The direction of our Militia and our military schools, in time of peace, as in war, from the exclusive point of view of the defence of Canadian territory; all officers of the Canadian Militia to be absolutely prohibited from asking for leave of absence to take part in any Imperial war beyond the territorial limits of Canada.

(*e*) The Canadian Militia to be commanded by a Canadian officer named by the Canadian Government.

After this date came the Alaskan decision and the refusal of the Canadians to sign the Award. Comments were more or less restrained; but there were exceptions. Mayor Neelands, of Vancouver, (Oct. 22) declared he "would not be surprised if it resulted in a strong and widespread movement looking toward the establishment of Canadian independence." Mr. Camille Piche, a Montreal Liberal politician, on Oct. 18th; Mr. D. Monet, M.P., speaking at Longueuil on Oct. 24th; and Mr. G. C. Holland in Ottawa on Nov. 18th; expressed views in favour of Independence. Some utterances of the press, here and there, require perhaps more consideration. On Oct. 24th, the Windsor (Ont.) *Record* pronounced the sentiment in favour of an independent commonwealth to be gaining ground. "That seems to be our ultimate destiny." On Oct. 27th, the *Eastern Chronicle* of New Glasgow, N.S., after denouncing Lord Alverstone's conduct as little short of infamous continued: "For a number of years British statesmen would have been glad if Canada would cease to be dependent upon them. In fact, they cannot see Canada for the United States. Our view, then, is that Canada should take herself out of the way." On Oct. 29th, the St. John *Globe* declared that "there is little doubt that this Alaskan Award business will considerably advance a feeling towards Canadian independence" and on Nov. 18th continued along similar lines:

As we grow in numbers, in strength, and in wealth, the more surely we will go our own way, simply because it is our way. If we were thirty millions of people instead of six millions, Great Britain would be very glad to have no sense of responsibility for us; but long before we have that number she will discover that Independence is an absolute result of giving Colonies freedom of government.

In reply the St. John *Telegraph* remarked that as this paper had already changed from a one-time support of annexation to the United States its readers might live to witness another change. The Halifax *Chronicle* of Oct. 29th, declared that there were now only two courses open for Canada—complete independence within the Empire subject only to the Sovereign, or assumption of the status of an independent nation. The *Canadian Gleaner* of Huntingdon, Quebec (Ind. Lib.), deprecated on Nov. 5th, the bitter criticisms of Great Britain *re* Alaska in the Ontario press. "Were it not for their absorbed self-satisfaction with themselves, the people of Ontario would be awake to the dangerous movement that is afoot here in favour of Independence."

These utterances are put on record as indicating one of the minor chords of sentiment which were struck during 1903. They are all that were visible in this direction to a close observation. The expressions against even considering the subject or in favour of better relations within the Empire were very many throughout the press of all parties and the following may be quoted in this respect from the London *Advertiser* of Nov. 6th: "If the opinion of Canadian people on this question could be focused, it would be found that they hope to see Canada take on all the attributes of nationhood; and at the same time remain within the circle of the British Empire with a voice in its counsels proportioned to Canada's contribution to the Imperial strength and greatness."

Canada and the Treaty-making Power

As indicated above the resentment aroused by the Alaskan affair took in occasional cases the form of favouring Independence; in more frequent and important instances that of a revision in Treaty-making rights. On Oct. 23rd, the Award was discussed in the House of Commons. The Prime Minister spoke at some length as did Mr. R. L. Borden. The former gave a narrative of the events leading up to the Treaty and the latter criticized the Government for accepting the position in which they were placed. But the central sentence of the speeches was Sir Wilfrid Laurier's statement that: "The difficulty, as I conceive it to be, is that so long as Canada remains a dependency of the British Crown, the present powers that we have are not sufficient for the maintenance of our rights. It is important that we should ask the British Parliament for more extensive power, so that if ever we have to deal with matters of a similar nature again we shall deal with them in our way, in our own fashion, according to the best light that we have."

On Dec. 9th, following, Mr. H. W. Lucy of the London *Daily Mail* had an interview at Ottawa with the Canadian Premier and what was said duly appeared in his paper on the 22nd. In this much discussed conversation—which was never denied in any way—Sir Wilfrid Laurier is represented as saying that the Dominion was unanimous in demanding the right of making her own treaties in order that such an incident as the Alaskan Award should never

recur. Had this been the case earlier, and in connection with the appointment of United States partisan Commissioners, "we would have at once put our foot down in protest," and he believed the result would have been very different. "There are to-day nearly six millions of people who believe with passionate conviction that they have the right to determine the course of matters relating to their commerce and their boundaries. Moreover, we have convincing proof that the existing system is persistently, fatally, hostile to Canadian interests." At Montreal, on Nov. 18th, the Hon. R. Prefontaine, Minister of Marine and Fisheries, made the following reference to the subject at a Laval University banquet and in the presence of the Premier:

> Has not the time come when we should ask ourselves whether those words of the Duke of Argyll, 'You have the right to make treaties on your own responsibility,' should not be applied in the full latitude and amplitude which they seem to bear. If we are the allies, and not the subjects, of Great Britain, could we not negotiate with Foreign nations without the presence of an embarrassing third party, a useless presence, if we have the right to make our treaties. The inner history of negotiation teaches us that the third parties appointed by London have not been useful allies, and that Sir John Macdonald would voluntarily have dispensed with the aid of Sir Stafford Northcote in the Washington Treaty of 1871; and that is not the only striking example that I might mention. Canada is a young nation, but has learned enough by experience to understand her own interests better than others of more advanced age.

Sir Wilfrid Laurier's first utterance created widespread comment in the press. In Great Britain it was considered by the papers of the next day as a sort of vague threat not clearly understood. The London *Globe* described it as "an indiscretion;" the St. James *Gazette* observed that so long as Canada depended upon British protection of her external interests she could hardly make such a demand with justice; the Glasgow *Herald* regarded the language as "wild and whirling words" and as ominous of strained feelings over the Award. On Oct. 31st, the *Daily News* said: "How can Canada, or any other part of the Empire make the demand for power to negotiate treaties while she remains under the military and naval protection of Great Britain?" On Nov. 3rd, the Liverpool *Mercury* asked what Canada would do if she had the right in question and was snubbed or bullied by some great Power. Would British taxpayers and troops be expected to back up the Canadian negotiators?

Speaking at Leicester, on Nov. 8th, Lord Rosebery observed that an offer had recently come from Canada. "It is an offer to relieve us from the responsibility of making treaties in her behalf. Well, that is not an offer which will tend to unite the Empire more closely." From Australia, in the Commonwealth's *Review of Reviews* for December, came this criticism: "What Sir Wilfrid said was that Canada ought to have the right to make her own treaties which would, no doubt, be one step in the direction of loosening the tie which at present unites Canada to the Mother Coun-

try." Meanwhile, in Canada, only a few public references had been made to the subject outside of the newspapers. Sir Charles Tupper, the former Conservative leader and Premier, wrote at length to the Toronto *News* (Nov. 30th) reviewing Canada's present right of joint negotiation of all commercial treaties and the practice of consulting her in regard to all external policy affecting Canadian interests. He recorded his own experience when High Commissioner in London as a joint Plenipotentiary in negotiating treaties with Spain, France and the United States. He pointed to the advantage of having British power behind Canada as illustrated in the Halifax Award of 1877 and the Behring Sea negotiations and Tribunal; and declared that the proposals of the Premier and Mr. Prefontaine meant absolute Independence. At Montreal on Dec. 13th, the Hon. George E. Foster made the following reference to the subject:

> What did this all mean ? Either it meant nothing or it meant something. If it meant nothing, then it was beneath the province and dignity of the public men of this country. If it meant anything, and was meant to mean anything, it meant the one sword that would cut the link that made this country and Great Britain one in Empire and one in nationality.

In *Britannia,* Glasgow, for December, Mr. John A. Ewan of Toronto, declared that the time must come when the British Ambassador at Washington would be a Canadian or the office a dual one. The Canadian party press was not by any means a unit upon the subject. If there were any Conservative papers favourable to the proposal there were a few on the other side opposed to their party view that the proposal would not affect British connection. The Windsor *Record* of October 29th, frankly stated its belief that "to obtain the treaty-making power Canada must become a nation and hoist her own flag;" the Hamilton *Herald* (Dec. 22nd) thought that the negotiations should be ostensibly carried on by the Imperial representatives though actually by Canadian agents; the Canadian *Gleaner* of Huntingdon (Nov. 26th) described the movement as indicating afresh the French-Canadian drift towards Independence; the St. John *Telegraph* (Nov. 7th) declared that "virtually we have the treaty-making power now. We can negotiate. We can accept or reject;" the *Eastern Chronicle* (Nov. 6th) put the position as follows: "The lessons for Canadians to learn is that if Great Britain is to make our treaties and enforce them after they are made its Government must be given a free hand. If Canada wants the treaty-making power it means that she wants Independence." The Toronto *Globe* of Dec. 23rd expressed itself in these words:

> What does the request involve ? Canada's independence of Britain? No. It means only larger independence within the Empire. It means that in negotiating treaties which have to do with the trade and the territory of Canada, the representatives of His Majesty shall be Canadians or Commissioners chosen by the Canadian Government. The Sovereign would retain the constitutional power he now possesses of vetoing the

terms of any treaty on the advice of his Ministers. There is nothing disloyal or making for separation in such a demand. It is true alike to Canada and to Britain.

The great bulk of the Opposition press was antagonistic to the proposal. The *Mail and Empire* termed it a "Separatist cry" and the Quebec *Chronicle* said that no British control meant no British protection and no British sentiment meant no British preference. The Toronto *World* of Nov. 4th had this comment on the subject: "But it asserts its rights as one of the nations forming integral parts of the British Empire to control the Imperial representative in matters which concern itself directly, and that its own agent, when deemed necessary or expedient, should be to that extent an Imperial representative also."

The Pacific Cable during 1903

The new year opened in this connection with an interchange of congratulatory cables between Sir Sandford Fleming and Sir Edmund Barton. A few months later, and up to the time of his retirement from the Australian Premiership, the latter was negotiating with the Eastern Extension Telegraph Company, the great rival and opponent of the Pacific Cable. To Sir Wilfrid Laurier on Mch. 4th, he sent an outline of his proposed arrangements and received in reply a strongly-worded protest. His intention was to substitute for the old agreements of three of the States, and the new agreement of New South Wales, with the Company which gave the latter the right to build land lines, etc., in perpetuity, a Federal agreement embracing the whole continent but for ten years only. If this were done the losses of the Pacific Cable could not help being heavy and continuous and the Company was said to expect that at the end of the ten years the Governments concerned would be very glad to sell it.

There was a good deal of feeling expressed at Ottawa regarding this proposal, as one of the basic understandings in connection with the Inter-Colonial partnership was that the land telegraph business of Australia, being in Government hands, should be diverted as far as possible from the Eastern Extension to the Pacific Cable. In the Canadian Senate, on April 27th, Sir Mackenzie Bowell protested against these proposals; regretted the existing deficit of $460,000—of which Canada would have to pay $130,000; and urged a more business-like management of the "All-red Line." The Hon. R. W. Scott, in answering, declared that New South Wales, in making the State agreement already referred to, had deliberately broken faith. The Canadian Government had proposed to the Imperial authorities that for a time free press messages should go over the new Cable. New Zealand had agreed but Australia objected and he did not think Great Britain had supported Canada very strongly in the matter. The Premier dealt with the affair in the House of Commons on May 8th, and a few days later the correspondence in question was laid on the table. Lord Strathcona brought it before Mr. Chamberlain and

the Pacific Cable Board but, meanwhile, Sir E. Barton had signed the new arrangement. At the opening of the Commonwealth Parliament on May 26th the Speech from the Throne contained the following paragraph:

> The Pacific Cable, now successfully completed, cannot be expected to yield an immediate monetary profit. But the project and its accomplishment have already cheapened and facilitated intercourse with the Mother Country and Europe, as well as Canada, New Zealand, and the United States. Subject to your approval, a contract has been entered into between my Government and the Eastern Extension Telegraph Company, which, while conserving substantial reductions on the rates prevailing until recently, substitutes an arrangement terminable in a reasonable time for the virtually perpetual obligation which was originally entered into by four contracting States and which became a burden on the Commonwealth until the conclusion of the new agreement.

In a letter to the *Times* of June 2nd Sir John Cockburn explained the obligations Australia was under to the Eastern Extension Company for a new Cable to South Africa and a reduction in rates from 7s. 1d. to 2s. 6d. These reduced rates were only given to the contracting States and it was to obtain them that New South Wales had entered into this agreement. Sir Horace Tozer, another Australian Agent-General, replied to this communication and contradicted many of the details. On July 14th, the Melbourne *Argus* defended its Government at length and declared that the agreement was forced upon them by pre-existing conditions; that Sir E. Barton had made an excellent bargain in Australian interests; that their concern in the Pacific Cable was, financially, greater than Canada's and that no desire could exist to injure a common property.

The Imperial Treasury estimates for the two years ending Mch 31st, 1904, showed a total loss of $1,060,000. The receipts of the Cable for the year ending Mch 31st, 1903, were $1,960,-781. Meantime, the agreement with the Eastern Extension Company was blocked in the Australian Senate and, on Nov. 6th, Sir S. Fleming received word that it had been abandoned by the Government. On Dec. 8th, the latter gentleman wrote an open letter to the people of New Zealand and Canada urging the establishment, for a time, of a free news service. "The original proposal contemplated transmitting 500 words of press news daily. This would occupy half an hour of the more than 20 hours the cable would be idle, or not engaged in the transmission of paying traffic. A Canada-New Zealand service, simply, might be commenced with a reduced number of words or less frequent transmissions. Even 500 words a week would be infinitely better than having, as at present, no news service whatever."

Relations of Newfoundland and Canada

The affairs of Newfoundland were discussed to a considerable extent in Canada during the year. The expected development in its timber resources; the local legislation encouraging coal and steel industries; the failure of the United States Senate to approve the Bond-Hay Reciprocity Treaty; the Canadian suggestions as to

acquiring St. Pierre and Miquelon; and the ever-recurrent advocacy of Confederation in the Dominion press; kept the Island well before the public. The year began with three new members in the Island Government—Hon. E. P. Morris, K.C., Hon. Eli Dawé and Hon. Henry Gear. Speaking at Sydney, N.S., on Jan. 21st, Mr. R. L. Borden urged the importance of Canadian action along the lines of union and regretted that the Government were apparently doing nothing. "Why should not Canada take the initiative with the Mother Country with regard to an honourable settlement of French rights on Newfoundland's shores? Why should she not do this in connection with effective steps for the union of Newfoundland with the Dominion of Canada?" In the House of Commons on Mch. 12th he made similar suggestions.

It may be added that the Newfoundland Legislature on Mch. 10th unanimously renewed the French Shore *modus vivendi* for another year and that towards the end of 1903 there were rumours of undoubted weight indicating a coming settlement of the questions at issue owing to the friendly relations then existing between England and France. Mr. A. B. Morine, K.C., the Opposition Leader, was interviewed at Halifax on Sept. 18th and stated that Confederation would not be a question at the Island elections of the following year unless brought to the front by a third party, and it would then have small chance of success. On Nov. 3rd, it was announced in Newfoundland that Sir W. V. Whiteway, a former Premier, and Mr. Donald Morrison, K.C., who had lately resigned from the Bench, would join forces in organizing a new party with the ultimate though not immediate object of union with Canada.

In Toronto, on Nov. 23rd, Mr. J. M. Clark, K.C., addressed the Mulock Club on the advantages of union with Newfoundland. The Hon. Samuel Blandford, M.L.C., of St. John's, was interviewed at Quebec on Nov. 27th and declared that the Island would not make any advances in the matter; that she would have to receive her price; that the fishermen at present were opposed to it; but that it would eventually come. On Dec. 21st, the Toronto *Globe* contained a significant and apparently inspired despatch from Ottawa beginning as follows: "There is good reason to believe that the Canadian Government have under consideration the institution of negotiations having for their object the admission of Newfoundland and Greenland into Confederation."

Canada and Irish Affairs

Anything which makes for good and quietude in the life and politics of Ireland concerns various interests in Canada and 1903 was a history-making period in the former country. It opened with the Report on Jan. 4th of the Irish Land Conference so well managed by the Earl of Dunraven. On Mch. 5th, Mr. C. R. Devlin resigned his place as Canadian Emigration Commissioner at Dublin and four days later was elected to Parliament in succession to Colonel Lynch, the South African rebel. The celebration of St. Patrick's

Day in Montreal was marked by a banquet at which Mr. Justice Doherty presided and most marked tributes of affection and loyalty were paid to King Edward. The Hon. J. Israel Tarte addressed a large gathering in Toronto. On Mch. 25th, Mr. George Wyndham, Secretary for Ireland, presented to Parliament his great Irish measure based upon the conclusions of the Land Conference and providing $60,000,000 toward the cost of purchasing Irish estates by the tenantry, together with loans of $100,000,000 (afterwards increased to $150,000,000) to help in the same object. The plan was large, statesmanlike and satisfactory to all who were willing to be satisfied, upon any conditions, and eventually became law. In Canada it was received by Irishmen everywhere with approval and as a great step toward the settlement of a serious question.

The proposals, however, did not check the Home Rule advocacy of Irish politicians though they altered somewhat the terms of a Resolution to that end passed in the Dominion House of Commons on Mch. 31st. It took the form of an Address to the King reiterating the expressions used in a similar document in 1882; pointing to Canada and Australia as illustrations of the beneficence of full self-government; hoping that it might soon be granted to Ireland along similar lines; and concluding as follows: "This House congratulates the people of the Mother Country on the legislation, just and equitable, which it is believed will follow the recent Conferences on the land question, and hopes for an early and lasting settlement, fair to all, of that long, vexed and troublesome problem, the solution of which has for so long taxed the powers of British statesmen." Both Sir Wilfrid Laurier and Mr. R. L. Borden supported the motion which carried by 102 to 41. It was duly forwarded to the Colonial Secretary on April 22nd, and presented to His Majesty. On May 27th, Mr. Chamberlain advised the Governor-General of the King's appreciation of its loyal expressions and of his command (in connection with the Home Rule prayer of the House of Commons) to refer to Lord Kimberley's reply on behalf of the late Sovereign to a similar Address, June 12th, 1882. To this there was nothing to add, said Mr. Chamberlain, and in it the (then) Colonial Secretary said:

> Her Majesty will always gladly receive advice of the Parliament of Canada on all matters relating to the Dominion and the administration of its affairs; but with respect to the questions referred to in the Address, Her Majesty will, in accordance with the Constitution of this country, have regard to the advice of the Imperial Parliament and Ministers, to whom all matters relating to the affairs of the United Kingdom exclusively appertain.

On April 25th, the Legislative Assembly of Quebec adopted unanimously a Resolution expressing its appreciation of the blessings of self-government so long enjoyed by its people; and declaring that it "views with the greatest satisfaction the measure

which the Parliament of Great Britain is now adopting for the purpose of removing all discontent arising from the law at present existing in Ireland, relating to the tenure of land, and further desires to place on record its sincere hope that in the near future the Parliament of Great Britain will grant such form of self-government as will satisfy the patriotic desires of the Irish people, and thereby strengthen their loyalty and devotion to the Empire, in the same manner as self-government in this country has created an indissoluble bond of union between Canada and the Mother Country." In the course of his regular letter in the *Weekly Sun,* of Toronto, Mr. Goldwin Smith on April 8th, put himself curiously on record in this connection: "Seeing how things have gone, what the House of Commons has done, and how strong a spirit of nationality this protracted struggle has developed in Ireland, the Bystander believes that at present he would be prepared to vote for Independence. He would do it in the hope that a peaceful parting might lead hereafter to free and perfect union."

During the year Mr. Joseph Devlin, M.P., visited Canada and spoke at Quebec on May 27th, as he had already done in Montreal and Ottawa. At the meeting of the Imperial Orange Grand Council of the World held at Dublin in July a considerable part was taken by Canadian delegates. Mr. Robert Burns of Toronto was elected Vice-President and it was decided to hold the meeting of 1906 in Toronto, Canada. A great banquet was held on July 15th presided over by the Earl of Erne, K.P., and amongst the speakers were three Canadians—Messrs. William Galbraith, Duncan Monroe and the Rev. W. Walsh. The last important event of the year in this respect was the visit of the King and Queen Alexandra to Ireland. It lasted from July 20th to Aug. 1st, and included ceremonies, festivities and loyal demonstrations at Dublin, Maynooth, Mount Stewart, Belfast, Londonderry, Berehaven, Galbraith, Cork, Queenstown and many minor places which were passed through. On Aug. 1st, His Majesty's farewell Address "To my Irish People" was issued in language characteristic of his tact and broad spirit of comprehension.

Echoes of the South African War

On Mch. 23rd, the Countess of Minto issued an appeal for aid in the project which she had for some time been pressing forward—the marking by memorials of graves of Canadians who had died in South Africa during the War. Out of 232 the graves of 152 had been located up to this time, and Her Excellency wanted $6,000 more for the purpose. In October, following, a first consignment of these memorials was shipped from Montreal, and on Dec. 19th it was announced that a total of $13,720 had been subscribed to this object. Under date of April 6th Lieut.-Gen. Sir N. G. Lyttelton, Commanding the troops in South Africa, wrote to the Canadian Premier as follows: "I have the honour to inform you that tenders are being called for the supply of bread and forage to the troops for certain stations in the Cape Colony, and for bread,

forage and groceries for all stations in the Transvaal and Orange River Colony, for a period of six months commencing on Oct. 1st." He enclosed forms of tender, advertising, etc.

In the House of Commons on May 13th and in reply to questions from Colonel Hughes, the Minister of Militia stated that Canadians in receipt of pensions for service in South Africa obtained the usual sums granted by the Imperial authorities at home, and that Canada did not contribute towards their payment or supplement the amount. On Aug. 7th, Mr. E. F. Clarke raised the question of South African medals and stated that, owing to the regulations and the length of time taken in getting to South Africa, there were 200 non-commissioned officers and men debarred from receiving the King's medal. He read a Memorial in the matter which had been presented to the Governor-General. The Minister of Militia replied by pointing out that the affair was purely one of Imperial Army Orders; that exactly the same regulations were applied throughout the Empire; that both the War Office and the Commander-in-Chief had been appealed to unsuccessfully for a modification in this respect. The official correspondence, including the arguments adduced by Colonel T. D. B. Evans, C.B., on behalf of his men, were read by the Minister to the House on Sept. 3rd.

The event of the year, as an aftermath of the War, was the Report of the Royal Commission appointed to inquire into its conduct This body was made up of the Earl of Elgin, K.G., Lord Esher, Lord Strathcona, Sir George Taubman-Goldie, General Sir Henry Norman, Admiral Sir J. O. Hopkins, Sir Frederick Darley, Chief Justice and Lieut.-Governor of New South Wales, Sir John Edge and Sir John Jackson. The Report appeared on Aug. 25th, and was a full, free and adequate discussion of the issues involved —excepting perhaps, the diplomatic one which had compelled the British Cabinet to hold back from some of the preparations which they would have made had they been able to act without facing the charge of forcing on a war and of being the aggressor. Mr. Chamberlain was indicated by the investigation as the only Minister who did not seem to fear this issue. Reorganization of the War Office was suggested on a basis approximating to that of the Admiralty and the utilization of Auxiliary and Colonial troops was urged. The evidence of Field Marshal Earl Roberts, Commander-in-Chief, gave, perhaps, the best and most authoritative summary of the main defects in the preparations for the War:

(1) The selection of Ladysmith as the principal Military station and advance depot in Natal, and leaving it absolutely undefended. Sir George White was forced to hold on to it, for had he abandoned it an immense amount of supplies and ordnance stores, which there was not time to remove, would have fallen into the enemy's hands. (2) The plan by which General Buller's force was to advance in three columns through Cape Colony towards the Orange Free State. (3) Having no properly-organized Transport Department, the absence of which prevented any movement being made away from the several lines of railway. (4) The failure to foresee the necessity for employing a large force of mounted

infantry. (5) Under-estimating the possible strength of the enemy, the magnitude of the theatre of the war and, consequently, the number of troops that would be required for the long lines of communication. (6) Neglect to supply the Army with a proportion of heavy artillery, sufficiently mobile to accompany the troops in the field. Guns of this description have always formed part of the armament of an Indian field force, and even in a mountainous country like Afghanistan, they did good service. (7) The want of suitable maps.

The comments of the press upon this Report were free and, in Great Britain, uncontrolled to some extent by party considerations. Various Conservative papers condemned the Government as roundly and as fiercely as the Liberal press did. Lord Rosebery on Sept. 12th, wrote a letter which was widely published declaring that, outside of the Navy, the Empire was "not in possession of the minimum of national security." He claimed (1) that the Cabinet was collectively responsible for the War and its methods; (2) that the nation was not dis-associated from responsibility in the matter; (3) that the present system of military management was doomed and should be superseded by expert administration of the War Office in such hands as those of Lord Kitchener. In Canada the news of the Report, most of the opinions regarding it and the condensations furnished, came to the papers through United States news sources and were coloured so as to make bad worse. Whatever was mistaken was magnified; much that was wise and even remarkable (as in the gigantic task of sending hundreds of thousands of troops 7,000 miles without a hitch) was overlooked. Comments were in accordance with these data.

Meanwhile a large meeting was held in Toronto on Nov. 27th for the purpose of discussing the collection of a fund to erect a Memorial to the Canadians who had fallen in the War. Mayor Urquhart presided and amongst the speakers were the Lieut.-Governor Mr. Mortimer Clark, Dr. G. Sterling Ryerson and Lieut.-Col. Mason. A Committee was selected to commence the work and, later on, the officers of what was termed the Toronto South African Memorial Association were appointed as follows: Patrons, the Lieut.-Governor and Mrs. Mortimer Clark; President, Sir William R. Meredith; Vice-Presidents, the Mayor of Toronto, Colonel W. D. Otter, C.B., Dr. G. Sterling Ryerson, Mr. D. R. Wilkie and Mrs. S. Nordheimer. Lieut.-Col. J. Mason was Hon. Treasurer and Mr. S. H. Jones, Secretary. In the Toronto *News* of Nov. 23rd, Dec. 4th and Dec. 26th appeared a series of letters from Sir Charles Tupper dealing, in a characteristically forceful way, with his part in arousing public opinion and aiding the Government in the despatch of troops from Canada. Speaking in London, on Dec. 2nd, Major-General O'Grady Haly, C.B., D.S.O., made the following remarks:

It had been his good fortune to send some 4,500 Canadian officers and men to South Africa during the War; those numbers not including the first Contingent. Taking everything into consideration, no finer bodies of men had ever served under the British flag. In physique they compared with any British regular troops, whilst in equipment they were as

well furnished as could be expected when the strain put upon the Canadian authorities was taken into consideration. In less than a month the Contingent had embarked fully armed and equipped and, seeing the enormous area from which the men were recruited (Halifax to Vancouver) it was one of the most remarkable performances on record. He did not wish to take the credit to himself, it was due to the Canadian Militia Department. He must say, however, that he was surprised at the enormous resources of Canada in providing everything that was necessary.

At the close of the year a sort of Christmas card was issued from Capetown, South Africa, beautifully illustrated and signed by the Mayor. It was addressed to the officers and men of the volunteer forces of England, Scotland, Ireland, Wales, Australia, Canada, and other parts of the Empire, and expressed heart-felt thanks for the services rendered by the Queen's citizen soldiers in upholding Imperial authority in South Africa and in cementing the ties of unity and affection amongst British countries. Some personal incidents of the year in this connection may be summarized as follows:

Jan. 7.—A public reception, banquet and presentation are tendered at Guelph to Sergeant Wilkinson and Corporal Minchin in honour of their services in South Africa.

Feb. 25.—A letter is published, written by Colonel S. B. Steele, C.B., from South Africa and denouncing some "ridiculous untruths" written about him. "I suppose those who relate such stories are of the type who consider that to act like a cad or western bravo of the time of Slade or Wild Bill, in one's intercourse with officers and gentlemen like Sir Redvers Buller and Lord Milner, is highly commendable.

Feb. 27.—Paardeberg Day is celebrated at Ottawa by the Governor-General giving his annual dinner to Canadian officers who had served in that memorable fight. Lieut.-Col. E. Fiset, D.S.O., is presented with his Decoration by Lord Minto.

Apl 8.—Lieut.-Col. H. W. A. Chambre, of the 90th Regiment, on his return from England speaks to the Winnipeg *Telegram* as follows: "I think that the recent war has done more to bring Canada before the public of Great Britain than any other cause. During the war the name of Canada was on the lips of everyone, and for that reason the knowledge of our great resources became noised abroad."

May 25.—At Brantford a monument is unveiled by Sir Frederick Borden, Minister of Militia, in honour of the city's sons who lost their lives in South Africa—including Lieutenants Osborne and Builder and Corporal Sherritt. A Memorial at Bendale in honour of R. J. Stobe and one at Newtonvale to Capt. W. P. R. Milligan are also unveiled.

June 19.—The Minister of Militia receives from the 1st Battalion Gordon Highlanders, through the Governor-General, a trophy for presentation to the Dominion Rifle Association in the form of a silver and ebony memento of their service with the Royal Canadian Rifles in South Africa.

June 25.—The Canadian House of Commons debates the British purchase of United States cattle for re-stocking the Boer farmers. The Hon. Mr. Fisher states that several representations had been made to the Colonial Office by Lord Strathcona on behalf of Canada.

June 25.—Lieut.-Col. James Mason, Chairman of Executive in the Canadian Red Cross Society during the War, is appointed Honorary Associate of the Order of the Hospital of St. John of Jerusalem in England in recognition of his services.

June 25.—Major A. E. Hodgins arrives in Toronto on a visit home from South African Service:
July 6.—A Soldiers' South African Memorial is unveiled at Charlottetown, P.E.I., by Colonel Lord Aylmer.
Oct. 18.—Major-General Lord Dundonald unveils a bronze tablet at Ottawa in honour of those members of the Duke of Cornwall's Own Rifles who had fought in South Africa.

Empire Organizations in Canada

The principal public organization of an Imperial character in Canada is the British Empire League. It has, however, no active branches, except that of Toronto, and holds no public meetings as a rule except the annual one. At this latter gathering on May 19th, at Ottawa, Lieut.-Col. George T. Denison was re-elected President, Mr. W. Mortimer Clark, K.C., the new Lieut.-Governor of Ontario, Sir D. H. McMillan, Lieut.-Governor of Manitoba, and Mr. A. E. Forget, Lieut.-Governor of the Territories, were added to the long list of Vice-Presidents and Mr. A. H. U. Colquhoun and Prof. Baker of Toronto were added to the Committee. Resolutions were passed in favour of Preferential trade and urging the Government to send a special Commissioner to Australia to deal with the Cable matter. The Toronto branch held public meetings on Jan. 15th and Oct. 20th.

A not unimportant incident in this connection was the formation in Toronto of the Empire Club of Canada. The feeling expressed in some quarters and in certain papers regarding the Alaskan Award affair naturally stirred up the loyalist sentiment of that community and this found expression shortly after the banquet given to Mr. A. B. Aylesworth by the Canadian Club. Sensational statements had appeared in the press regarding the proposed arrangements for this Dinner and also in connection with a brief speech made by Mr. W. R. P. Parker, the new President of the Club, on Nov. 10th. These assertions were promptly denied. Apart, however, from such matters, it was felt that there was room for another organization and one which should have some principle of Imperial unity in its constitution. A few gentlemen met, therefore, on Nov. 18th and appointed the following Committee to take the necessary steps: Lieut.-Col. James Mason (Chairman), Messrs. Lincoln Hunter, J. P. Murray, Noel Marshall, E. Strachan Cox, J. F. M. Stewart, E. Wylie Grier, Castell Hopkins, and F. B. Fetherstonhaugh. On Nov. 25th, the Empire Club of Canada was duly organized with Lieut.-Col. James Mason as President, the Rev. Professor Clark and Messrs. J. P. Murray and Hugh Blain as Vice-Presidents, Major J. Cooper Mason, D.S.O., as Treasurer and Mr. J. F. M. Stewart as Secretary. At a subsequent meeting Lord Strathcona was announced as having accepted the Hon. Presidency and Mr. Chamberlain Hon. Membership. The Hon. George E. Foster and other gentlemen addressed the weekly luncheons of the Club which, in a few weeks, had a membership of 500. Its motto was "The advancement of the interests of Canada and a United Empire."

Another Empire organization in Canada is the Navy League. Its operations during the year were confined mainly to the organizing work of Mr. H. F. Wyatt in the early portion and to the active personal efforts of Mr. H. J. Wickham, the Hon. Secretary. On Oct. 21st a meeting was held in the Parliament Buildings, Toronto, and an Educational Committee was appointed to keep the idea of naval defence and history before the public and in the schools. The Daughters of the Empire, under the energetic supervision of their President, Mrs. Nordheimer of Toronto, did a good deal of educative work during 1903. At their annual meeting in Toronto on May 4th, Her Excellency, Lady Minto was present and the reports showed a membership in Canada of 2,710, with Chapters or Branches numbering 65. Resolutions were passed protesting against the circulation of United States periodicals and papers in the Dominion and asking for lower British postal rates in this connection; and declaring that all purchasers of land in the North-West should be compelled to take the oath of allegiance. A general meeting was held on Oct. 19th addressed by Mrs. Nordheimer.

British Visitors to Canada during 1903

The year was notable for the number of well-known people from the United Kingdom who visited Canada. It had been expected that a large party of Parliamentarians and public men would have come with Lord Lyveden's much-heralded excursion but Mr. Chamberlain intervened through his disturbing political programme. Those who finally reached Quebec on Aug. 28th, and thence toured the Dominion to the Pacific Coast and back again included Lord Lyveden, Lord and Lady Braye, Sir Edward Clarke, K.C., formerly Solicitor-General of England, Mr. George Doughty, M.P., Colonel S. A. Sadler, M.P., Mr. Cumming Macdona, M.P., the Rev. H. G. Hopkins, M.A., Miss Honor Morton and others. Sir Edward Clarke was entertained by the Bar at Montreal and in Toronto and many official and social functions were arranged for the party in the different cities visited.

Another party of tourists was made up of a number of British journalists who had come to see the country and who did see it from Halifax to Vancouver. Amongst them were Messrs. Neil Munro of the Glasgow *News;* H. Alexander of the Aberdeen *Free Press;* W. G. McAliece of the Midland *Express;* B. McConkey of the Belfast *Telegraph;* Sydney Higham of the *Graphic;* John Derry of the Sheffield *Independent;* Harold Rylett of *Reynold's Newspaper;* E. B. Osborne of the London *Post;* and Arthur Yarrow of the Newcastle *Chronicle.* In October the Honourable Artillery Company of London under command of the Earl of Denbigh and the Ancient and Honourable Artillery Company of Boston under Colonel Sydney M. Hedges visited Montreal and Toronto.

In September, Lieut.-General Sir Ian S. M. Hamilton, K.C.B., D.S.O., who had commanded a part of the Canadian troops in South

Africa, visited Canada and the United States. He was cordially welcomed at Ottawa, Montreal, Quebec, Toronto and Kingston. Major-General R. S. S. Baden-Powell, C.B., the hero of Mafeking, was in Toronto and Ottawa on April 20th-21st, travelling *incognito*. Other visitors of the year were Lieut.-Gen. Sir W. Hamilton Gould-Adams, Lieut.-Governor of the Orange River Colony; Sir James Hector, K.C.M.G., the New Zealand geologist; Mr. W. A. Gill of the London *Morning Post;* Sir Frederick Pollock, Bart, Editor of the British *Law Quarterly Review;* Rear Admiral H. T. Grenfell, C.M.G.; Sir David Wilson, K.C.M.G., Governor of British Honduras; Lieut.-Gen. D. C. Drury-Lowe; Major-General Sir Frederick Carrington, K.C.B., K.C.M.G.; and Sir George C. T. Bartley, K.C.B., M.P.

CANADIAN INCIDENTS RELATING TO EMPIRE AFFAIRS

Jan. 14.—The Montreal Board of Trade passes a Resolution protesting against the continued exclusion of Canadian live cattle from Great Britain.

Feb. 18.—Mr. J. G. Colmer, C.M.G., resigns the position of Secretary in the Office of the High Commissioner for Canada and is succeeded by Mr. W. L. Griffith.

Mar. 31.—In the Montreal *Witness*, Mr. F. Blake Crofton of Halifax has an able article pointing out the internal enemies of the Empire. They include, he declares:

1. The supercilious Briton.
2. The bumptious Colonist.
3. Some Irishmen, some French, and some Dutch, who hate England.
4. A limited number in Colonial countries who desire Independence.
5. Drifters; who believe too much in evolution and the gradual efflux of time as elements of unity.
6. Those who favour a permanent continuance of the *Status quo*.
7. Journalists who carelessly print items or uncorrected falsehoods tending to alienate one section of the Empire from another.
8. Imperialists who urge their special plans as absolutely essential.
9. Professional politicians of the opportunist type.

Apr. 1.—In the *Canadian Law Review* appears an elaborate article by Mr. G. S. Holmested, K.C., upon "An Imperial Court of Appeal." The subject is also handled in the July number by Mr. W. E. Raney of Toronto.

Apr. 7.—The Vancouver Board of Trade passes a Resolution in favour of Preferential tariff relations with South Africa and Mr. R. H. Alexander states that a very small preference would transfer the lumber trade of Puget Sound to the Province of British Columbia.

May 17.—A mass meeting in St. John passes a Resolution asking the Government of Canada to request British intervention regarding the cruel treatment of Jews in Russia.

July 7.—At a meeting of the Winnipeg Board of Trade Mr. J. T. Gordon, M.P.P., claims that the British cattle embargo has been a benefit to Canada by inducing the feeding of cattle at home instead of in England.

July 16.—In the House of Commons the Hon. J. Israel Tarte, intimates that the Premier had offered at one time to recommend him for Knighthood but that his means had not permitted him to accept the suggestion.

Sept. 8.—The Band of the Coldstream Guards plays in Toronto—and later on at other places in Canada—with much acceptance.

Sept. 8.—A banquet is tendered in Montreal to Admiral Sir A. L. Douglas and Admiral Rivet of the British and French Navy respectively. Lord Strathcona draws attention to the fact of Sir Archibald Douglas being a Canadian and an eloquent speech is delivered by Mr. Donald MacMaster, K.C., upon the relations of Britain and France and Canada.

Sept. 10.—Two Colonies are interested in the marriage at Pretoria, South Africa, of Sir Edouard P. C. Girouard, K.C.M.G., D.S.O., Commissioner of Railways for the Transvaal, and son of Mr. Justice Girouard of the Canadian Supreme Court, with the daughter of Sir Richard Solomon, K.C.M.G., C.B., K.C., Attorney-General of the Transvaal.

Sept. 11.—The Hon. A. B. Routhier delivers a remarkable and eloquent speech at a Quebec banquet to the officers of a French squadron in that Port. He defines French-Canadian loyalty as follows: "In the first place, because such is our duty and because France herself has taught us that duty is not to be trifled with. Secondly, because it is also our interest, our material interest, and our national interest, which find under the folds of the British flag the protection they need. Thirdly, because England gave us liberty and taught us to use it. On the other hand—I beg pardon from our amiable guests—France taught us to love liberty but did not teach us its practice."

Sept. 22.—Sir Frederick Pollock, Bart., D.C.L., addresses a meeting of the Toronto Bar.

Sept. 29.—The Ottawa *Journal* in a leading editorial urges the appointment of Sir Wilfrid Laurier as Mr. Chamberlain's successor in the Colonial Office.

Sept. 30.—In reply to a question as to the conferring of the Imperial Service Order in Canada the Premier states in the House of Commons that it is intended by the King as a reward for long and faithful performance of duty in connection with the Civil Service throughout the Empire. "The conferring of the Order is a prerogative of His Majesty the King after advice is tendered to him by His Excellency the Governor-General who has previously consulted his Ministers and who are responsible."

Oct. 10.—The Hon. George Solomon, ex-Finance Minister of Jamaica, writes a long letter in the Montreal *Star* suggesting an elaborate scheme for closer Imperial Union.

Oct. 21.—The House of Commons votes $146,000 as Canada's contribution to a National Memorial in honour of the late Queen Victoria.

Nov. 4.—The Toronto *Star* draws attention to the refusal of most of the British newspapers to exchange with the Canadian press.

Nov. 5.—Lieut.-Col. Richard Wolfenden, I.S.O., is formally presented with his new decoration by the Lieut.-Governor of British Columbia.

Nov. 9.—Principal W. Peterson, C.M.G., of McGill University, Montreal, lectures before the British Schools and Universities Club, N.Y., upon the British Empire.

Nov. 10.—Professor I. W. Riley, of the University of New Brunswick, lectures at St. John on Mr. Chamberlain's policy and expresses the belief that its success would force the United States into a general reciprocity.

Nov. 14.—Colonel Sir E. P. C. Girouard, K.C.M.G., D.S.O., receives the freedom of the London Guild of Ironmongers.

Nov. 18.—The *Farming World* of Toronto declares the British cattle embargo no disadvantage to Canada.

Nov. 25.—In a speech at Quebec the Rev. Dr. F. G. Scott declares that three men stand out distinctly as Empire-builders at the present time—His Majesty the King, Mr. Chamberlain and Sir Wilfrid Laurier.

Nov. 28.—The Toronto *Star* comments upon the value of the preference given to British countries in a recent War Office order that all frozen mutton shall in future be purchased within the Empire.

Nov. 30.—At a St. Andrew's banquet in St. John, the Rev. W. W. Rainnie scores the War Office for its alleged ill-treatment of the late Sir Hector Macdonald.*

Dec. 7.—Mr. W. F. Cockshutt of Brantford addresses the Canadian Club, Toronto, upon the necessity of Preferential tariffs.

Dec. 11.—Dr. H. A. Bruce at a medical banquet in Toronto urges Federal and Imperial reciprocity in medical degrees, qualifications, and appointments.

Dec. 12.—Sir Charles Tupper, Bart., speaks in Vancouver and declares that before long Canada will supply Great Britain with all the bread she can consume.

Dec. 21.—An apparently official despatch in the Toronto *Globe* deals with the earnest desire of the Government to treat for the union of Newfoundland with Canada and then refers to another popular idea of the moment: "As to the acquisition of Greenland, it would be reasonable to infer that the Danish Government are being asked whether they will part with the island or not. If Denmark will sell, Canada will purchase. This unmistakably is the attitude of the Dominion Government in the matter. It requires two parties to make a bargain, however, and it is impossible to say whether we can acquire Greenland until we have the Danish Government's reply."

Dec. 22.—Rear-Admiral A. K. Bickford, C.M.G., completes his term in command of the Pacific Squadron at Esquimalt, B.C., and leaves for home.

BRITISH INCIDENTS AFFECTING CANADIAN INTERESTS

Jan. 13.—The King appoints the Right Rev. Dr. Randall T. Davidson to be Archbishop of Canterbury in succession to the late Dr. Temple.

Feb. 15.—Field Marshal Sir J. Lintorn Simmons, G.C.M.G., R.E., who in his early years served in Canada and wrote a treatise on its Defences, dies in Hampshire.

Feb. 19.—A British Parliamentary return shows that in England 299 out of 317 municipal corporations carry on reproductive undertakings with a total capital of £211,000,000, an average income of £13,000,000, average annual working expenses of £8,250,000—with repayments of principal and payments of interest amounting to £4,500,000 more. This leaves a net profit of £378,281.

Feb. 20.—Dr. Henry M. Ami, of the Geological Survey at Ottawa, is given the Bigsby gold medal for eminent services to geology by the Royal Geological Society of London.

Feb. 25.—Mr. Price moves in the Imperial House of Commons that the absence of disease in Canadian cattle warrants the repeal of the law excluding them (alive) from the British markets. It is voted down by 190 to 38 after Mr. Hanbury, President of the Board of Agriculture, has admitted the absence of disease but declared the ever-present possibility of its breaking out and his

* NOTE—A so-called Report of a Commission which went to Ceylon to investigate the charges against General Macdonald and reported him innocent, together with varied denunciations of those in authority at London, was widely published in Canada. Authentic information of a private character shows that it was not only not official but that the men signing it were never heard of in Ceylon.

determination to conserve the interests in this matter of the British farmer and consumer.

Mch. 28.—The Imperial Government offer Canadian firms a chance to tender for certain military supplies in a cable from Lord Strathcona.

Apr. 7.—Mr. St. John Brodrick, Secretary for War, states in the House of Commons that the question of allowing the meat of Canadian-bred cattle to be included in the meat contracts for the Army had been carefully considered. He feels, however, that such a change "would be to the detriment of the home producers."

May 1.—Sir Gilbert Parker moves and carries the 2nd reading of his Deceased Wife's Sister's Bill in the House of Commons by a majority of 70 and presents a petition in its favour signed by 75,000 women of Birmingham. It finally fails to pass the Lords.

May 12.—An address is given at the Royal Colonial Institute in London by Mr. Harold G. Parsons on "Our Colonial Kingdoms." Speaking afterwards, Dr. Parkin favours a unification of the Debts of the Empire.

May 14.—Dr. Robert Bell, F.R.S., Acting-Director of the Geological Survey at Ottawa, is given the degree of D. Sc. at Cambridge.

June 1.—Writing in the *Monthly Review* Mr. T. Arnold Haultain, of Toronto, declares "the secret of Imperial defence to be Imperial dispersion" and a settler to be an asset of the Empire; urges a broad Emigration policy and the appointment in London of a Secretary of State for Emigration.

June 9.—The Right Hon. R. B. Haldane, K.C., M.P. (prospective Lord Chancellor in a new Liberal Government), proposes at the Royal Colonial Institute the creation of a Council of Imperial Affairs, composed of the Premier, the Foreign and Colonial Secretaries, and a number of Privy Councillors nominated by the Sovereign, at the request of the Colonial Governments, and entitled to speak in either the House of Lords or Commons.

June 25.—Earl Grey, in the House of Lords, moves the 2nd reading of a measure "to abolish the Declaration required to be made by the Sovereign at his Accession." After a debate shared in by the Archbishop of Canterbury, the Dukes of Norfolk and Devonshire and Lord Rosebery a majority against the measure of 47 is recorded.

July 1.—At the Dominion Day Dinner in London the Duke of Argyll eulogizes the services to the Empire of Canadians such as General Robinson, Admiral Douglas, Admiral Drury, Colonel Girouard, Colonel Steele and Colonel Otter.

July 9.—A Conference of British Empire Universities is held at London and a preliminary Luncheon is addressed by Mr. Chamberlain who declares that "now is the creative hour" and urges all to write and strive for unity.

July 13.—In the leading British papers appears a letter signed by the Earl of Meath, Lord Strathcona, Sir Gilbert Parker and others, drawing attention to the educational work in schools which is being done by an organization called the League of the Empire.

July 18.—Mr. W. L. Griffith, the new Secretary to the Canadian High Commissioner, is banqueted at Cardiff. Wales.

July 21.—The Australians win the Kolapore Cup at Bisley with a score of 771 against 753 for Canada, 752 for Great Britain and 740 for Natal.

July 28.—Dr. G. R. Parkin, C.M.G., addresses a meeting at Grahamstown, South Africa, on the Rhodes Bequest.

Aug. 6.—The Agreement between the British Admiralty and the International Mercantile Marine Company (Morgan's Combine) is made public and shows that British Companies and ships retain their old national footing and powers.

Aug. 11.—A Report is made public by the Royal Commission on Alien Immigration—of which Mr. Alfred Lyttelton, K.C., M.P., is a member. It reviews the whole subject at length.

Aug. 23.—The Marquess of Salisbury, K.C., lately Prime Minister of Great Britain, dies at Hatfield House.

Sept. 8.—Major-General H. L. Smith-Dorrien, C.M.G., so well known to Canadians who served in South Africa, is gazetted to the command of a 1st class District in India.

Sept. 24.—The British Government cancels the embargo on cattle coming from or through the New England States which for a time had benefited Montreal at the expense of Boston and Portland.

Oct. 10.—Sir Frederick Young, K.C.M.G., delivers a careful address at Tynemouth on Imperial Federation.

Oct. 15.—Lord Onslow, the new President of the Board of Agriculture, confirms his predecessor's views as to the exclusion of Canadian and other cattle in a speech to a Scotch delegation.

Oct. 28.—Major D. Skinner, of the Royal Sussex Regiment and son of the late Lieut.-Col. Skinner, of Woodstock, Ont., is stated to have been appointed Lieut.-Colonel in command of the 1st Battalion of his Regiment.

Nov. 11.—The Hon. T. A. Brassey addresses the Royal Colonial Institute on "Steps to Imperial Federation." Amongst the speakers is Dr. George R. Parkin.

Nov. 20.—The Colonial Secretary informs Lord Minto that the King has approved of his birthday being celebrated in Canada on the 24th of May as a general holiday—the official celebration taking place on November 9th.

Dec. 20.—Reports reach Canada of the conclusion of successful operations in Southern Nigeria by forces under the command of Major W. G. C. Heneker, D.S.O.—a Canadian. With the troops also was Brevet-Major A. H. Macdonell, D.S.O., of Toronto.

PIONEER INCIDENTS IN THE PREFERENTIAL TARIFF POLICY

The Hon. Sir Charles Tupper, G.C.M.G., in *The Imperial Federation League Journal*, Dec. 3rd, 1886. "It might be arranged to have in this country and in all the Colonies, a double column tariff, one rate of duties for all British countries and another for Foreign countries."

Ottawa Branch Imperial Federation League Mch. 5th, 1887. "It is earnestly suggested for consideration whether the imposition of small uniform duties upon imports from Foreign nations into all countries of the Empire would not be the most equitable system and the one susceptible of the widest application."

Mass-meeting in Toronto. Resolution moved by Dr. W. H. Montague, M.P., and unanimously adopted, Mch. 24th, 1888. "In the opinion of this meeting the adoption of Imperial Federation might well lead to such changes in the fiscal policy prevailing as to give to the Mother Country and her Colonies mutual advantages in their several markets denied to those who do not belong to the Empire; and that this meeting calls upon the House of Commons of Canada to take steps at an early date to give effect to the principles of this Resolution."

Meeting of Council of the Imperial Federation League, Toronto, Nov. 8th, 1888. A Committee is appointed to promote closer trade and tariff relations with the other Colonies, composed of Messrs. D'Alton McCarthy, Q.C., M.P. (Chairman), R. C. Weldon, Q.C., M.P., R. R. Dobell, C. N. Skinner, M.P., Sandford Fleming, C.M.G., Lieut.-Col. F. C. Denison, C.M.G., M.P., Major-Gen. J. W. Laurie, M.P., and J. Castell Hopkins (Hon. Secretary).

IV.—RELATIONS WITH THE UNITED STATES

The Alaskan Boundary Question

This international problem reached during 1903 a stage which involved settlement, and, meanwhile, caused keener discussion in Canada than any event since the outbreak of the War in South Africa. To the Dominion the territory claimed in the north was of importance mainly as providing or preventing an ocean outlet for Canadian trade and production in the Yukon. To the United States it was important as having been in part occupied by American settlers and having thus aroused the national pride of possession. To Great Britain it was of importance as keeping an open sore in the relations of the Empire and the Republic, or as creating in its settlement possibilities of hostility in American public opinion and policy, or of bitterness in Canadian sentiment. Meantime, the situation had been causing unpleasant international friction; hampering Canadian trade by hostile and sometimes unfair American fiscal regulations; hindering efficient and direct transportation arrangements and construction on the part of Canada; causing difficulties in the administration of justice; leaving open serious possibilities of conflict amongst miners representing international feelings and interests. Upon this general subject Mr. F. C. Wade, K.C., one-time Crown Prosecutor in the Yukon, had an able article in the *Empire Review* for January.*

For three-quarters of a century the clouded character of the clauses in the Russo-English Treaty of 1825 had kept the question open, although its discussion was not serious until the United States acquired Alaska in the same year that the Dominion of Canada was formed. On March 12th, 1872, shortly after British Columbia had joined the Dominion, its Legislature passed a Resolution urging the proper laying down and definition of the boundary line. The Canadian Government pressed this matter upon the London authorities and Sir Edward Thornton wrote to Earl Granville, on November 18th, that President Grant had promised to recommend an international Commission. This was done on December 2nd, in his annual Message to Congress, but action was refused on the ground of expense. The question during subsequent years was discussed from time to time. On June 16th, 1874, the Canadian Government urged a settlement of the boundary question, and in the succeeding year difficulties arose over some British settlers in the disputed region, and the British Minister at Washington again, and unsuccessfully, pressed for action in the matter. On November 23rd of this year the Canadian Government urged an "expeditious settlement of the boundary," and in September, 1876, occurred the Martin incident, and a prolonged

* Also another in the London *Times* of September 3rd.

SOUTH EASTERN ALASKA
AND PART OF
— BRITISH COLUMBIA —
Represents the Boundary as claimed by Great Britain
the United States
New Boundary line
Topography from Canadian Boundary Commission Photo-topographic Surveys 1893-1895.
SCALE 1:320000
YUKON DISTRICT
NORTHERN BOUNDARY OF BRITISH COLUMBIA
P
Klukwan
Chilkat
Pt Bridget
CANAL
Pt Couverden
ICY STRAIT
CHICHAGOF ISLAND
ALPS
Mt Fairweather
Mt Lituya
Mt Crillon
La Perouse Glacier
Lituya Bay
Cape Spencer
Cape Cross
Icy Bay
MOUNT ST ELIAS
Mt St Elias
Yakutat Bay
Ocean Cape
Malaspina Glacier
Yakutat Mission
Duncan Canal
Port Snettisham
Taku River
Taku Glacier
Juneau
Douglas I.
Lynn Canal
Lake Dezadeash
Dezadeash River
Kluane Lake
Lake Kluane
Lake Arkell
Lake Aishihik
Lake Marsh
Lake Mayo
Stewart River
Pelly River
Lake Teslin
Teslin River
Lake Tagish
Tagish
Lake Bennett
Lake Atlin
Atlin
Atlin Lake
Dease Lake
Telegraph Creek
Stikine River
Glenora
Hazelton
Kispiox
Kitwanga
Kitsegukla
Port Essington
Port Simpson
Metlakatla
Fort Wrangell
Wrangell
Prince of Wales I.
Dixon Entrance
Queen Charlotte Islands
Graham I.
Moresby I.
Skidegate
Masset
Rose Spit
Hecate Strait
Queen Charlotte Sound
Milbanke Sound
Fitzhugh Sound
Rivers Inlet
Smith Inlet
Owikeno Lake
Kitimat
Kitimat Arm
Douglas Channel
Gardner Canal
Princess Royal I.
Swindle I.
Pitt I.
Campbell I.
Cape Caution
Fort Rupert
Port Hardy
Alert Bay
Quatsino Sound
Nootka I.
Esperanza Inlet
Kyuquot Sound
Clayoquot Sound
Barkley Sound
Port Alberni
Alberni
Victoria
Esquimalt
Saanich
Sooke
Port Renfrew
Juan de Fuca Strait
Cape Flattery
Neah Bay
Tatoosh I.
Port Angeles
Port Townsend
Whidbey I.
Deception Pass
Bellingham Bay
Fairhaven
Mt Baker
Mt Shuksan
Mt Rainier
Mt Olympus
Mt Constance
Mt Stuart
Mt Adams
Mt Hood
Mt Jefferson
Mt Three Sisters
Mt Rainier Nat. Park
Mt Tacoma
Mt St Helens

ED UPON AT THE ALASKAN TRIBUNAL.

tates. GREEN — Boundary as partially decided by the Alaskan Tribunal.

t yet defined.

discussion between the Governments concerned as to the location of the boundary in the neighbourhood of the Stikeen River. In March, 1877, on October 1st, and again on December 6th and December 24th, 1877, the Canadian Government made useless efforts to obtain proper international surveys and a delimitation of the boundary line.* Finally, a Convention was signed on July 22nd, 1892, for a co-incident or joint survey of the region in question with a view to the consideration and establishment of a boundary line. This agreement was afterwards re-affirmed and the time extended to Dec. 31st, 1895. But nothing was done and a similar fate followed the signing of another Convention on Jan. 30th, 1897. Then came the Joint High Commission which met at Quebec and Washington in 1898.

Upon this occasion the British Commissioners proposed a compromise by which the United States should retain Dyea and Skagway and other portions of territory in dispute while Canada should have Pyramid Harbour and thus obtain an outlet from the Yukon. This was refused and the British Commissioners then asked for arbitration by a tribunal of jurists—one being an umpire appointed by some mutually friendly Power. This was rejected as was also a proposal to have an arbitration based upon and following the lines of the Venezuela settlement. On the other hand Canada and Great Britain refused to agree to the proposal of a Judicial Commission *plus* the undisturbed ownership by the United States of all territory now occupied by its citizens. Upon this latter point the negotiations broke down and the Commission adjourned indefinitely.

Since then it had not re-assembled and the question smouldered with ominous threatenings from time to time. Efforts were made by the British Government to effect a compromise in connection with the abrogation of the Clayton-Bulwer Treaty. Lord Salisbury took this ground firmly and Lord Lansdowne, in succeeding him at the Foreign Office, maintained it in a despatch to Lord Pauncefote dated Feb. 22nd, 1901. Later on, however, for reasons which did not appear on the surface, this attitude was abandoned and the Americans got what they desired in connection with the Isthmian Canal project without any equivalent so far as Canada was concerned.

A little later negotiations were resumed and on Nov. 18th, 1902, Lord Minto replied to some proposals submitted through the Colonial Office as follows: "Referring to your despatch of Oct. 31st, concerning the proposal of the United States for the appointment of a Tribunal of jurists to record their reasoned opinions upon the Alaskan Boundary question, my Ministers, while declining to give final assent to such proposal, would be disposed to consider it favourably provided the reference to the Tribunal should include all aspects of the question." Then followed more detailed

* NOTE—Mr. Thomas Hodgins, M.A., K.C., of Toronto, has published several valuable pamphlets upon various phases of this question.

negotiations, and the final submission to Ottawa of a draft treaty on Dec. 19th. Following this was another effort, by Canada, to have the Tribunal take the form of an Arbitration but without avail against Secretary Hay's firm statement that he could never get it through the United States Senate. In a despatch from Lord Minto to the Colonial Secretary on Jan. 21st, 1903, his Ministers finally agreed "to accept Treaty as contained in the draft submitted to them."

The Alaskan Boundary Treaty

The Treaty between Great Britain and the United States for the settlement of this question was signed at Washington, on Jan. 24th, 1903, by the Hon. John Hay, U. S. Secretary of State, and Sir Michael Herbert, British Ambassador. By this arrangement the United States waived its contention that, whatever the decision, no soil occupied by American citizens should pass into British hands, while Great Britain waived its wish for an arbitrative Tribunal of three—one being an impartial subject of another nation—and accepted the Judicial Commission plan of three Commissioners from each side.

The Treaty went to the Senate on Feb. 2nd and, after a keen struggle between different elements, hostile or friendly to a settlement of the matter, it finally passed—subject, however, as was afterwards believed, to satisfactory assurances from the Administration concerning the appointment of the American Commissioners. On March 3rd, the ratifications of the Treaty were formally exchanged at Washington. By its terms, seven questions were to be submitted by the Governments concerned to an international tribunal. "The Tribunal shall consist of six impartial jurists of repute, who shall consider judicially the questions submitted to them, each of whom shall first subscribe an oath that he will impartially consider the arguments and evidence presented to the Tribunal, and will decide thereupon according to his true judgment."

All questions were to be decided by a majority vote, and the Tribunal was "to consider in the settlement of the questions submitted to its decision" the Treaty of 1825 between Russia and Great Britain and of 1867 between Russia and the United States. It was also—and this point was important in connection with the American occupation of places such as Skagway and Dyea—"to take into consideration any action of the several Governments, or of their respective representatives, preliminary or subsequent to the conclusion of the said Treaties, so far as the same tends to show the original and effective understanding of the parties in respect to the limits of their several territorial jurisdictions under and by virtue of the provisions of said Treaties." The questions which the Tribunal were to decide read as follows:

1. What is intended as the point of commencement of the line?
2. What channel is the Portland Channel?
3. What course should the line take from the point of commencement to the entrance to Portland Channel?

4. To what point on the 56th parallel is the line to be drawn from the head of the Portland Channel, and what course should it follow between these points?

5. In extending the line of demarcation northward from said points on the parallel of the 56th degree of north latitude, following the crest of the mountains situated parallel to the coast until its intersection with the 141st degree of longitude west of Greenwich, subject to the condition that if such line should anywhere exceed the distance of ten marine leagues from the ocean, then the boundary between the British and the Russian territory should be formed by a line parallel to the sinuosities of the coast and distant therefrom not more than ten marine leagues, was it the intention and meaning of said convention of 1825 that there should remain in the exclusive possession of Russia a continuous fringe or strip of coast on the mainland, not exceeding ten marine leagues in width, separating the British possessions from the bays, ports, inlets, havens and waters of the ocean, and extending from the said point on the 56th degree of latitude north to a point where such line of demarcation should intersect the 141st degree of longitude west of the Meridian of Greenwich?

6. If the foregoing question should be answered in the negative, and in the event of the summit of such mountains proving to be in places more than ten marine leagues from the coast, should the width of the lisiere, which was to belong to Russia, be measured (1) from the mainland coast of the ocean strictly so-called, along a line perpendicular thereto, or (2) was it the intention and meaning of the said Convention that where the mainland coast is indented by deep inlets, forming part of the territorial waters of Russia, the width of the lisiere was to be measured (*a*) from the line of the general direction of the mainland coast, or (*b*) from the line separating the waters of the ocean from the territorial waters of Russia, or (*c*) from the heads of the aforesaid inlets?

7. What, if any exist, are the mountains referred to as situated parallel to the coast, which mountains, when within ten marine leagues from the coast, are declared to form the eastern boundary?

Canadian Opinion of the Treaty

The formation of public opinion in the Dominion upon this question was a gradual one, built upon an underlying but deep impression that Great Britain had been historically prone to sacrifice Canadian interests—ignorantly, or intentionally, as the case might be—upon the altar of so-called friendly relations with the United States. The process was complicated by the fact of Canadian news in this connection coming so largely from American sources in Washington, New York and London, and imperceptibly affecting public sentiment in Canada.

As an illustration, the following quotation may be given from a long despatch in the Canadian papers, dated Washington, January 25th, and giving a United States view of the new Treaty (Toronto *Mail and Empire*, Jan. 26th), as follows: "Chief among these limitations is that, whatever the result of the arbitration, the existing settlements on the tide-waters of the Alaskan coast should continue to be the property of the United States, and be considered as within American territory. This was a marked concession by the British Government, which has, in fact, virtually receded from the position maintained by its Commissioners when the Joint High Commission endeavoured to effect a settlement of the differences between Canada and the United States." Absolutely untrue as this statement was, it never obtained any adequate contradiction in

Canadian news columns, and more than one bitter current opinion was expressed upon it, as affording another evidence of British surrender to the United States. On Feb. 3rd, the Toronto *Globe* drew attention to the "mischievous secrecy," or rather pretence at diplomatic secrecy, which had made this sort of thing possible:

> The policy of keeping back from the general public the precise terms of such an agreement as the one relating to the Alaska-Yukon Boundary has no defence; it is calculated and certain to be injurious, and it has already been so to an indefinite extent. So long as treaties have to be ratified by the United States Senate any affectation of secrecy must be a farce, for it is utterly impossible to keep its members from talking, and the inevitable result is the conveyance of wrong impressions to the public. This is exactly what has happened with the present Treaty.

So much for preliminary conditions. The day following the announcement of January 25th, from Washington, the Toronto *News* declared that the settlement was fairly satisfactory. "A bad settlement is always better than a good law-suit, and in the United States we are dealing with a litigant of peculiarly difficult temperament." The Toronto *Telegram* represented a certain Radical school of thought in the following opinion expressed on the same day: "Canada has either to fight or be robbed, and Britain has decided that submission to robbery is cheaper than war. Britain is probably right. Canada would not ask Britain to go to war over the questions at issue in the Alaskan Boundary dispute, but Canada should understand that her rights are being sacrificed and not protected by the arrangements just completed at Washington." The Hamilton *Times* was fearful of results, and thought that any three Americans chosen would hang together whether right or wrong. "The finding by which S. J. Tilden was jockeyed out of the Presidency in 1876 makes one suspicious." Current fears as to the final result were embodied in a despatch from Ottawa to the Toronto *Star* of this date. "If the Americans win over an Imperial delegate to their view, Canada loses. On the other hand, if the British Commissioners win the support of one of the United States delegates, the Dominion might be no further ahead, for it is open to serious doubt if the American Senate would ratify a finding in our favour." On Jan. 26th the Toronto *Globe* made the following comment:

> The people of Canada will learn with pleasure that an agreement has been reached by the Governments of Great Britain and the United States to refer this long-standing and dangerous dispute to a Commission for settlement. As there will be three Jurists representing each side on the Joint Commission, a determination of the issue cannot be secured except as a result of at least one of the three on one side concurring in the opinion held by those on the other. Should one or more of the three representing Canada feel themselves constrained after full investigation to so decide Canadians will loyally and frankly accept the adverse verdict and will expect the people of the United States to do the same. There should be no sense of grievance left, however the matter is finally settled.

Following the ratification of the Treaty by the United States Senate there were many further comments in the Canadian press. The Manitoba *Free Press* of Feb. 13th took its cue from the American papers, as did so many other Canadian organs in this connection: "Great hopes are entertained that the member of the Court representing the British Government will throw down the Canadian case in the time-honoured manner and thus enable the Americans to score a victory." Another view was presented by the *News-Advertiser* of Vancouver on Feb. 14th: "The pressure brought to bear to conclude the agreement embraced in the Treaty emanated from Ottawa and not from London. Anxious as the Imperial Government is to remove everything likely to cause friction between Great Britain and the United States it took no step towards re-opening negotiations in regard to the Alaskan Boundary question until requested to do so by the Canadian Government."

The subject was briefly discussed in the House of Commons on Mch. 13th. Mr. R. L. Borden referred to the abrogation of the Clayton-Bulwer Treaty and the chances of Canada getting something in return for that concession and asked if the Premier's expression of opinion to the effect that Canada had no interest in the Nicaraguan Canal was the cause of Lord Lansdowne having receded from his previous position in the matter. He thought the Treaty should not have become operative until approved by the Dominion Parliament and that the Government should have taken some steps to have the Canadian side of the case better known to the United States public. Sir Wilfrid Laurier reviewed, briefly, the making of the Treaty, expressed some regret at the appointments made by the United States Government and stated that representations had been made to London upon the subject:

> As to the Treaty itself, I am bound to say that in my opinion at all events—with the single exception of a very slight blemish to which I shall allude presently—the Treaty is eminently fair. The Treaty provides for a reference of the boundary to a Court to be composed of six impartial jurists of repute, that is to say, the Commission has been entrusted with the task of determining what is the boundary as created by the Treaty of 1825 between Russia and Great Britain. It is not a compromise; it is not an arbitration; there is no giving and no taking; but it is simply to have a judicial interpretation of what is the true boundary; each party agreeing in advance to accept the boundary as it may be declared and whatever loss it may give to the other. This is a great victory, I consider, in one way, that we have obtained over the pretensions which have been hitherto advanced by the United States.

This view the Premier reiterated in the House on Mch. 25th in reply to an inquiry from Mr. Borden as to whether the arrangements had the full consent and approval of the Government. "I thought, Mr. Speaker, that in the debate on the Address I made it perfectly clear that the Government of Canada had been consulted with regard to the terms of the Treaty. I thought I had made it clear also that we had assented to the Treaty, not because we found it perfect, but because, on the whole, the terms of refer-

ence were perfectly fair. There was no advantage on either side and that was the reason why we removed all objections that we had had hitherto."

Composition of the International Tribunal

On February 13th, it was announced at Washington that Mr. Elihu Root, United States Secretary of War, Senator Henry Cabot Lodge, of Massachusetts, and Senator George Turner, of the State of Washington, had been appointed as the American members of the Tribunal. These gentlemen were admittedly politicians and persons of ability, but their views upon this subject were well known; those of Senator Lodge had been frequently and vehemently expressed; while Senator Turner represented the feelings of the people most directly affected in their trade and financial affairs by any decision which might be opposed to the American contentions. They were immediately and severely criticized by the Canadian press as not being "impartial jurists of repute" in any acceptation of those words, and it was stated a week later that the Dominion Government had formally protested to the Imperial authorities against what they regarded as an infringement of the terms of the Treaty. There was much speculation as to the reasons for the appointments, apart from the general Canadian impression that it was in order to assure the standing together of the three American Commissioners at any and all costs. Mr. John Charlton, M.P., had been in Washington at this time, and he expressed to the *Globe* of February 26th the following view:

> The Judges of the Supreme Court of the United States had refused to act upon this Commission. The ratification of the Treaty in the Senate was secured by a bit of astute Parliamentary practice, and through the support of Senator Lodge and also of Senator Turner. It was believed that the ordinary procedure upon ratification of treaties, preceded by full discussion, would have resulted in the rejection of the Alaskan Boundary Treaty. It is certain that it could not have been passed without the support of Senator Lodge, Political manipulations which do not appear upon the surface, old politicians will understand, are often resorted to. Possibly, the choice lay between the entire failure of the Treaty and the selection of Senators Lodge and Turner as members of the Commission.

The Hon. J. W. Foster, one-time Secretary of State, United States Agent in the Behring Sea Arbitration and member of the Joint High Commission of 1899, was appointed American Agent in this case, and Messrs. Jacob M. Dickinson, David T. Watson, the Hon. Hannis Taylor and Mr. C. P. Anderson were selected to act as United States Counsel. Meanwhile, it was thought that the Hon. Edward Blake, K.C., M.P., should be appointed in charge of the Canadian case. The Toronto *News*, in this connection, urged, on February 18th, his industry, his thoroughness in preparation, the acuteness of his intellect and the vigour of his grasp of a subject. He was offered and accepted the post, and with him was associated Mr. Christopher Robinson, K.C., of Toronto, who had been one of

THE RIGHT HON. LORD ALVERSTONE, G.C.M.G., LL.D.

Lord Chief Justice of England and President of the Alaskan Boundary Tribunal.

the British Counsel in the Behring Sea affair, and was recognized as peculiarly capable of handling such a matter. Later, other Canadian Counsel were added—Mr. F. C. Wade, K.C., Mr. Aimé Geoffrion, of Montreal, and Mr. L. P. Duff, K.C., of Victoria. The local British Counsel were Sir R. B. Finlay, K.C., Attorney-General, Sir E. H. Carson, K.C., Solicitor-General, and Messrs. S. A. T. Rowlatt and J. A. Simon. The British Agent, opposed to Mr. Foster, was the Hon. Clifford Sifton, K.C., M.P., Canadian Minister of the Interior. He was assisted by Mr. Joseph Pope, C.M.G. Under-Secretary of State at Ottawa, Mr. W. F. King, Dominion Astronomer, and an expert on the question, and Mr. A. P. Collier, Private Secretary.

There had, in the meantime, been much natural speculation as to who the British members of the Tribunal itself were to be. There were a few who thought that Canada should follow the United States example, and propose to the Imperial Government two politicians as the Dominion representatives. It was generally understood that the Lord Chief Justice of England would be one of the Commissioners, and the Montreal Chambre de Commerce passed a Resolution on March 4th, urging that all three should be Canadians, because past experience had shown that "in every case large portions of our national territory have been sacrificed to the exigencies of the United States." The Province of British Columbia asked, through a minute of its Council on March 14th, that one of the Commissioners should be a native of that Province in view of the local interests concerned. A public meeting in Victoria, on March 8th, also passed a Resolution to this effect by a small majority.

On Mch. 14th, the *Globe's* Ottawa despatch announced that "the Imperial authorities have signified their approval of the Dominion Government's recommendation that the British members of the Alaskan Tribunal consist of Lord Alverstone, the Chief Justice of England, and two Canadian Judges." Lord Alverstone, had, it was stated, consented to accept the post. The appointment of the Hon. Mr. Sifton, as British Agent, was also approved at the same time. Four days later Mr. Chamberlain stated in the Imperial House of Commons that "His Majesty's Government have, at the suggestion of the Dominion Government, decided to appoint as the British members of the Tribunal Lord Alverstone, Sir Louis A. Jetté, Lieut.-Governor and formerly a Judge of the Province of Quebec, and Mr. Justice John Douglas Armour of the Supreme Court of Canada." These appointments were officially gazetted on April 3rd. Following this it was stated on July 5th, at Ottawa, that Mr. Blake had been compelled by illness to resign his place as Senior Counsel for Canada in this case and that he had been replaced by Sir Edward H. Carson. Then came the death of Mr. Justice Armour in London and the announcement on July 20th that Mr. A. B. Aylesworth, K.C., who at the time was in England, would succeed him upon the Tribunal.

Preceding, or succeeding, these appointments there had been much correspondence passing between the Governments concerned as to the matter. On Feb. 18th, Mr. Chamberlain wired to Ottawa the United States decision to appoint Messrs. Root, Lodge, and Turner, and asked the views of the Dominion Government as to the appointment of the British Commissioners. In reply Lord Minto cabled on Feb. 21st that his Ministers would not express any opinions upon this point as yet. They had expected that, under the terms of the Treaty, the United States Government would have appointed Judges of their highest Court as Commissioners. "My Ministers most strongly represent that this consideration, having been material in causing their assent to the Treaty, should be made good. Otherwise the ground upon which they based their assent would be changed, and it is feared the whole situation would require to be reconsidered." Six days later, the Earl of Onslow, Under-Secretary for the Colonies—Mr. Chamberlain having meanwhile gone to South Africa—sent a despatch stating the situation to be full of difficulty, expressing a sense of the uselessness of pressing the United States to withdraw its appointments and declaring that arguments, no matter how strong, would be without effect:

> His Majesty's Government have, therefore, to choose between breaking off the negotiations altogether or accepting the nomination, and appointing as their colleagues representatives who will meet the altered circumstances of the case. They would regard the first alternative as a grave misfortune to the interests of Canada, and would prefer that the inquiry should proceed, in confident hope that Canadian or British interests would not be prejudiced thereby, as even in the event of failure much important information upon controverted points would be collected and placed before the public, and a reasonable settlement at some future time thereby facilitated.

On Mch. 6th the American appointments were officially notified from Washington by Sir Michael Herbert and, on the same day, Lord Minto cabled the Colonial Office that his Ministers considered the appointment of gentlemen who were not Judges, and with known views which left no room for expecting a judicial consideration of the question, to have changed the whole situation. Otherwise, they might have hesitated as to further participation in the proceedings. "My Ministers have observed from the public press, and have also been officially informed that while the matter is still under their consideration, the Treaty has been confirmed by His Majesty's Government and an exchange of ratification has already taken place at Washington. It is presumed that this fact precludes further discussion and my Ministers will, therefore, proceed to do whatever is necessary on their part to make good the engagements of His Majesty's Government." In the British House of Commons, on Apl. 30th, Mr. Chamberlain stated that the Dominion Government had consented to nominate two representatives and had asked His Majesty's Government to, if possible, secure the services of the Lord Chief Justice as the third. The

Treaty, he added, had been "ratified before the official announcement of the names of the American representatives was received."

Meanwhile, the United States press was carefully and continuously cultivating the belief that the Republic would win, in any case, through one of the British Commissioners being won over. This view was telegraphed to Canada and permeated a not unwilling public mind there. In other words Canadians unconsciously came to accept the opinion of their own antagonists before the Tribunal as to the yielding character and probably diplomatic conduct of one of their own Commissioners. The following items of news (amongst very many) in this connection re-appeared in various Canadian papers. On Jan. 25th, the New York *Herald's* Washington despatch stated that "the situation in the Commission will be such that the United States cannot lose if all our members of the Commission stand together. The hope of favourable result for the United States lies in the efforts of the United States Commissioners to win over to their view one of the British Commissioners." A similar despatch to the Chicago *Tribune* on July 10th, stated that "the belief is entertained here that one of the British Commissioners will be won over to the American view." As to their own Commissioners "there is excellent authority for the statement that the American representatives will go to London with instructions to yield nothing." A Washington despatch to the Seattle *Post-Intelligence* on Aug. 21st had the following: "Nobody connected with the Washington Government believes for a moment that any member of the American Commission will yield the breadth of a hair in the negotiations about to be begun at the British capital. One of two results, therefore, is to be expected. Either there will be a deadlock or one or more of the British Commissioners will yield the dispute in our favour." And so the process went on continuously, coupled with the concurrent belief in Canadian minds that Great Britain was already too prone to yield to the United States.

Canadian Opinion of the Tribunal

From the time the Treaty was announced to have been signed, there was grave doubt expressed in Canada as to the coming composition of the Tribunal so far as the United States was concerned. The appointment of the American Commissioners on February 13th developed this doubt into a popular certainty that, whatever case might be made out by Canada or judgment be arrived at by the British Commissioners in favour of its contention, the Americans would stand together for the interests and claims of their own country. The London *Advertiser* of February 21st declared that "something better was expected of President Roosevelt and Secretary Hay, who are large-minded and fair-minded men, and have been studious to maintain friendly relations with Great Britain. The explanation given is that the Senate would not ratify the Treaty unless it had assurances that the United States Commissioners would stand by

the American contention under any circumstances. This is the view advanced by leading American journals." The Hamilton *Spectator* of two days later was still more direct in its comments: "From the moment the scheme to settle the Alaskan Boundary dispute was announced no Canadian has suspected that any of the three American 'jurists' could possibly do anything but back the American contention. And now that the American jurists have been appointed, it is discovered that their principal qualification seems to be their unusual ability as twisters of the British Lion's tail."

The Ottawa *Journal*, on the same date, denounced Senator Lodge as "a fiery jingo and the author of various intemperate speeches upon the subject," and declared that Senator Turner's chief qualification was that he represented the State where, centred at Seattle, were the interests most hostile to Canada in this connection. The Peterborough *Times* of February 25th thought that British or Canadian protests upon this point were useless. "President Roosevelt would not dare make any change at the suggestion of the Imperial Government. If he dared to do so, any Commissioners who might be appointed as the result of such suggestion would be torn limb from limb if they dared to make the slightest concession from the least letter of the American contention." The Vancouver *Province* of the following day pointed out the great American interests bound up in the Northern or Alaskan trade, from Seattle to San Francisco, and then proceeded: "Every political device, therefore, and every influence which the people of those enterprising communities could bring to bear upon the Government to make it absolutely certain that the United States Commissioners would be men who could be relied upon to hold out in the face of all facts and of every argument against the relinquishment of any of the claims of the United States, has been employed. Of this we may rest absolutely assured." The Toronto *Mail and Empire* of February 17th proclaimed the American appointees as neither "jurists of repute" nor "impartial," and declared that, although distinguished men in some respects, it would have been impossible for President Roosevelt to have made a selection of Commissioners "more disqualified by avowed prejudice, or by official commitment, for passing judgment on the question before them." The Toronto *Globe* of two days later, after congratulating Canada upon the choice of Mr. Edward Blake as its Counsel, was equally emphatic upon this point:

> But if, as is announced, the American members of the Commission are to be such men as Judge Turner, of Spokane, Henry Cabot Lodge, of Massachusetts, and Elihu Root, it makes very little difference how ably our case is presented. There could be no hope of convincing a gentleman like Judge Turner, whose whole political associations have conspired to instil into him the importance of having the American contention maintained at any cost ; or like Mr. Lodge, whose Chauvinism is notorious. These gentlemen might be convinced, but they could be depended on carefully to conceal the fact. It is not uncharitable to take that for granted. Mr. Root is a distinguished lawyer, but he is a politician

and a member of the Cabinet,* and it would be singular if he could be trusted to be judicial towards the question in hand.

In the same paper, on February 23rd, Mr. H. M. Mowat, K.C., wrote analysing Senator Lodge's views and position, and concluded that, "with an Arbitration Board so constituted, Great Britain and Canada had declared themselves content to win or lose."

To the Toronto *Star* on Feb. 27th Sir Charles Tupper gave a long interview upon this subject. After reviewing the matter up to the appointment of the Commissioners he declared that, in their action in this respect, the United States Government had clearly violated the terms of the Treaty. "Under these circumstances, I can hardly suppose that the Canadian Government will consent to go on with the proceedings; it now being conclusively shown that no possible satisfactory adjustment can be obtained by Canada in such a reference." Speaking in connection with the general discussion of the subject Dr. G. R. Parkin, C.M.G., made the following remark at Victoria on Mch. 1st: "He had often heard it said by Canadians, that Britain was ready to sacrifice the interests of Canada to keep on good terms with the United States; but it must be considered that when Britain goes into any argument which it might be necessary to back up with force, as was the South African affair, the Mother Country would perhaps be called upon to spend £200,000,000, perhaps £500,000,000. Canada never takes any responsibility in this way." On Sept. 4th, the Toronto *Globe* dealt with the British side of the Tribunal, and especially Lord Alverstone, as follows:

> Whatever the adjudicatory finding may be, one thing is certain—there will be no disposition to find fault with Great Britain as the Mother Country in this matter. Her Lord Chief Justice has been made Chairman of the Commission, and no man living is more competent than he to prosecute such an inquiry as that now pending. He conducted the British case before the Venezuela Arbitration Tribunal, and he did it with consummate skill and complete success. It is inconceivable that one holding his high position should now allow himself to be swayed by political feeling or a mere desire to promote amicable relations between his own and a Foreign country at the risk of arousing the irrepressible animosity of an important member of the Empire.

Editorially, a substantial part of the Canadian press voiced the popular fear as to Lord Alverstone yielding for diplomatic reasons to the Americans. The Montreal *Witness* of Sept. 14th declared that he had fallen heir in this respect to an unfortunate tradition as to previous diplomatic blunders and to a confirmed belief that Great Britain would yield anything to the United States rather than quarrel with them. The Vancouver *World* of Sept. 24th denounced the current cabled talk about the Lord Chief Justice and stated that similar means were taken to throw suspicion upon Lord Herschell's fidelity and honour in connection with the Joint High Commission at Washington. Time had

* NOTE—Mr. Root resigned his seat in the Cabinet before taking his place upon the Tribunal.

abundantly proven his devotion to Canadian interests. The Toronto *Star* of Oct. 12th declared that "the opinion prevails everywhere that Lord Alverstone will assent to a decision along the lines of the American contention."

The Tribunal and the Consideration of the Question

The first meeting of the Alaskan Boundary Tribunal took place in the splendid and historic conference room of the Foreign Office in London on Sept. 3rd. Lord Alverstone was appointed Chairman; Mr. Reginald T. Tower of the British diplomatic service was chosen as Secretary; Mr. J. R. Carter of the United States Legation in London and Mr. Joseph Pope, C.M.G., of the Canadian civil service were appointed Assistant Secretaries. The Tribunal then adjourned to the 15th inst. Meantime, brief epitomes of the complicated arguments and claims on either side had been made public. There seem to have been three main points: (1) The course of the boundary line at the entrance of Portland Canal. (2) The width of the strip of coast belonging to the United States. (3) The ownership of the heads of the larger inlets including the important Lynn Canal. As to the first point the Canadian or British contention was that the southern boundary of the United States strip of territory was a direct line joining the southernmost point of Prince of Wales Island with the northern entrance of the Portland Canal and thence along the middle of that body of water. The United States claim was that the line should proceed from Prince of Wales Island along the parallel of 54 deg., 4 min. to the Portland Canal and thus give them possession of Pearse and Wales Islands which commanded Port Simpson.

As to the coast strip Canada claimed that the United States territory, acquired from Russia, was limited by the summit of the mountains, bordering nearest to the sea, which Vancouver saw from his ships and which he depicted in his maps. The United States contention was that there was no continuous mountain range in existence which fulfilled the terms of the original Russo-British Treaty and they fell back upon the alternative proposition that where no mountains existed the boundary should be formed by a line parallel to the coast and nowhere distant therefrom more than ten marine leagues or 35 miles. Between the Canadian claim of a coast line running along the crest of the mountains, from 5 to 6 miles in width, and the American contention of a 35-mile strip there was involved a matter of 12,500 miles of territory—much of it possibly mineralized.

Upon the third point turned the question of a Canadian port for the Yukon. When the Treaty of 1825 was made to prescribe a line following the summit of the mountains parallel to the coast did it mean a line running around the head of deep indentations such as the Lynn Canal, as the United States claimed to be the case; or did it mean the broad and, as the Canadians contended, the natural outline of the continental shore as it

faced the main waters of the ocean? Upon this latter phase of the question the Toronto *Globe's* special Ottawa correspondent of Mch. 28th seemed to have some doubt: "It cannot be denied, however, that Canada's claim to the heads of inlets has been to some extent compromised by official neglect and indifference. It will unquestionably be most difficult to secure recognition of our view of this claim, but it will be fully pressed and argued before the Tribunal." The question as to the strip being measured from tide-water and the heads of bays and inlets was further complicated by the United States claim of continuous occupation at different points in the disputed territory. On May 1st, and again on Sept. 3rd, careful official abstracts of the American case were made public. Meanwhile, the British case had been worked up by the Hon. Mr. Sifton and his assistants in London with much labour and with every facility given by the Imperial authorities.

The Tribunal duly met again on Sept. 15th and the discussion of the case was commenced by Sir R. B. Finlay, for the British side. After premising that the Tribunal could only deal with the actions of the Governments, or their direct representatives, in the disputed territory and outlining the terms of the question before them the Attorney-General proceeded during a four-days' consecutive speech to (1) examine minutely the Treaty of 1825, (2) to deal with the various negotiations preceding the Treaty, and (3) to deal with specific questions afterwards arising and subsequent negotiations and alternative routes suggested on either side. On Sept. 22nd he resumed an elaborate and able argument which concluded on the 24th. Mr. D. T. Watson followed for the United States case. He asserted that Russia's ancient and undisputed title to this region, as now claimed by his Government, had passed by the purchase of 1867 to the United States; that neither Great Britain nor Canada had then objected to their interpretation of past treaties and claims; that British maps of Hudson's Bay Company and Canadian origin admitted the American contention. He concluded his argument on Sept. 28th. Mr. Christopher Robinson, K.C., the leading Counsel for Canada followed and finished his speech on the 29th. He claimed that maps could not be relied upon as they were often constructed on conjectural inferences, from imperfect information, and without actual survey. He contended that since 1867 nothing had been done either by Great Britain or the United States to affect the present British claim. As to the arguments based upon Indian or native statements regarding occupation, etc., he declared them to be worthless.

In any case, England knew nothing of all these proceedings. This territory was 900 miles from the nearest inhabited part of British Columbia. How was Great Britain to know anything about the country which was the subject of the purchase of Russia's interests by the United States? Canada knew nothing about it, and until the Canadian Pacific Railway was finished Canada knew more of Egypt than she did of British Columbia itself. It was said all these things were done and we never protested. How could one protest against what one had never heard of?

All these events of 1867 might just as well have been done at the North Pole for all we knew about them.

At the conclusion of his speech the Lord Chief Justice congratulated Mr. Robinson upon his able and instructive address. Mr. Hannis Taylor then spoke for the United States and Sir E. H. Carson, Solicitor-General, followed on Oct. 1st, 2nd, and 3rd for Great Britain. On the latter date Mr. J. M. Dickenson commenced the closing speech for the United States and concluded on Oct. 9th when Lord Alverstone thanked him for his "brilliant and powerful argument." He dealt at length with the right claimed from occupation and detailed the American acts of Sovereignty between 1872 and 1888, including the occupation of the heads of inlets; the official visit of United States Secretary Seward to the head of Lynn Canal; the forbidding of foreign vessels to unload at Chilcat; the full exercise of civil government in the disputed territory and the taking of criminals to Oregon for trial; the making of surveys and censuses and the issuance of mining certificates; until, in 1887, Messrs. Ogilvie and Dawson had asked permission of the United States Government to make a survey at the head of Lynn Canal and their Reports had been presented to the Dominion Parliament. Yet all these acts of occupation, constituting, he claimed, a legal interpretation of the Treaty, had never been disputed by the British authorities at London or Ottawa.

Following the arguments before the Tribunal—which, of course, can only be presented here in a very few salient points—and preceding the appearance of the Award on Oct. 20th, a number of important incidents occurred. On Oct. 8th, Mr. A. B. Aylesworth was interviewed by a representative of the Canadian Associated Press and, after referring to Mr. Chamberlain's policy as a "fad," declaring the Dominion to be satisfied with things as they were, and describing Canadians as "keenly sensitive" to the unconscious condescension shown by Englishmen in their dealings with Canada, he proceeded as follows: "All Canada for months has had a nervous dread that the Award would go against her. I have told Lord Alverstone that we Canadians on the Tribunal would never sign any document giving away a single inch of territory which we considered to be British." The cabled report of this interview then went on to say that "The Canadian Associated Press learns on excellent authority that the result will be a compromise and that Lord Alverstone will side with the Americans."

Coming as it did after months of consideration given to the question from the standpoint of an American expectation and Canadian fear that Lord Alverstone would do this very thing the cabled interview caused a most unpleasant, though temporarily suppressed, feeling. It thoroughly paved the way for the outburst which was to follow later. There was a tendency, however, in many quarters to believe that Mr. Aylesworth had been misreported and in the House of Commons on Oct. 12th Mr. R. L. Borden inquired of the Government if they had ascertained

whether the interview was accurate or not. Sir Wilfrid Laurier stated in reply that they had done nothing in the matter but assumed that it could not have had the character attributed to it.

> Mr. Aylesworth is a Counsel of very great eminence, and I would hesitate to believe—and I think my Hon. friend would have equal hesitation—that he would have expressed any opinion on a matter which is *sub-judice* and of which he himself is one of the Judges. The language attributed to him is very improbable and until I hear to the contrary and have some better ground for believing that Mr. Aylesworth has so expressed himself, I shall believe that this interview, like many others, was not an expression of the views of Mr. Aylesworth.

The interview, however, was never publicly denied and in the London *Standard* of Oct. 14th appeared a statement from Reuter's Agency stating that they were authorized by Mr. Aylesworth to say that "upon his being asked a few days ago whether there was any likelihood that the decision of the Tribunal would be influenced by diplomatic considerations, he replied, speaking simply for himself, that he certainly would never consent to give away a single inch of territory he believed to be British." After the interview came a despatch on Oct. 10th stating that "Lord Alverstone has privately intimated in certain circles that he is convinced that a stronger case is made out by the United States, and that he intends to give judgment accordingly." Of course, this was entirely untrue and hardly required Lord Alverstone's indignant cable to the Premier on Oct. 13th that it was "an absolute fabrication," but it had a due effect in developing public feeling. On this latter date the Lord Mayor of London gave a banquet to the Alaskan Commissioners and in the course of his speech Lord Alverstone said that "he wished some of those people who did not understand and appreciate the difficulties of the task they had to perform would abstain from imputing motives to members of the Tribunal." Personally, he did not object to criticism after he had done his duty but he did object to it before that duty was finished.

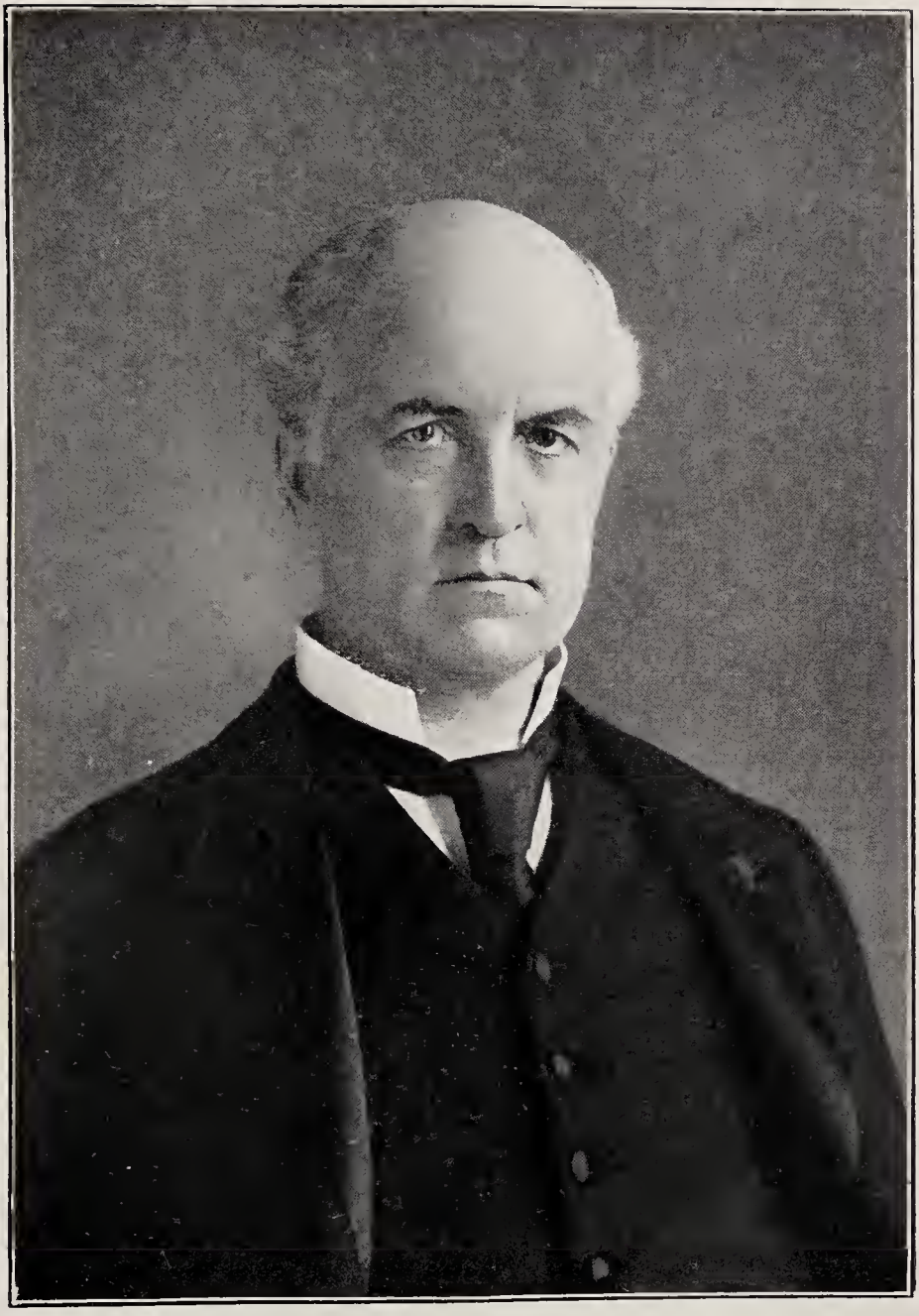
On Oct. 16th, a banquet was given in London by the Pilgrims —an Anglo-American organization—in honour of the Commissioners. Lord Roberts presided and the United States Ambassador spoke, as did Lord Lansdowne and the speeches were naturally of a very friendly character toward the United States. Meanwhile, there had been going on a series of secret meetings of the Commissioners and it was well understood that the deliberations were to be of that character. On Oct. 19th, however, the American Associated Press obtained information that the Tribunal had verbally agreed to accept all the United States contentions except that with regard to the Portland Canal and, without explanation or modification, this was triumphantly cabled to the Canadian papers. On the same day the actual decision of the Tribunal was made known to the King and, during the day, His Majesty received the members in audience—first, those from the United States and then the British Commissioners.

The Decision of the Tribunal

On Oct. 20th, the decision of the Alaskan Boundary Commission was made public together with the statement that Mr. A. B. Aylesworth and Sir Louis Jetté had refused to sign it. The documents in the case included the brief Award of the majority of the Tribunal, the elaborate Judgment or Finding of Lord Alverstone, the dissenting Statement of Mr. Aylesworth and Sir Louis Jetté the separate statement given to the press by Mr. Aylesworth and the lengthy judgment or opinion submitted sometime afterwards by his Canadian colleague. The Award recapitulated the seven questions, and very briefly, answered them in language of which the following is a condensation.

The Tribunal agrees (1) that the point of commencement of the boundary is Cape Muzon and (2) that the Portland Channel is the channel which runs from about 55° 1′ north latitude and passes to the north of Pearse and Wales Islands. These two conclusions were unanimous but the second part of the answer to the second question and all the other responses were signed only by Lord Alverstone, Mr. Root, Senator Lodge and Mr. Turner. By this majority it was, therefore, decided that the Portland Channel after passing to the north of Wales Island is the channel between Wales Island and Sitklan Island called Tongas Channel; that (3 and 4) the boundary then runs from the point of commencement as marked upon the map therewith submitted; that (5) the answer is in the affirmative; that (6) no answer is required and (7) that certain mountains marked are those referred to as situated parallel to the coast and that in the space specified between "P" and "T" on the map, "in the absence of further survey, the evidence is not sufficient to enable the Tribunal to say which are the mountains parallel to the coast within the meaning of the Treaty."

The second and fifth were, of course, the crucial questions and these Lord Alverstone dealt with at length in his elaborate judgment, as published in the British press of the following day. As to the former he declared that the answer turned upon this: "What did the contracting parties mean by the words 'the channel, called the Portland Channel' in Article 111, of the Treaty of 1825?" His reasons for the conclusion come to were very technical but were based, he declared, upon "the most careful consideration of every document in this case" together with certain general considerations which supported them. Upon the fifth question he analysed with apparent impartiality and at length the terms of the Treaty and the historic interpretation of coast lines and inlets and then turned to the matter of negotiations in 1824-5. "After most careful examination I have been unable to find any passage which supports the view that Great Britain was directly or indirectly putting forward a claim to the shores or ports at the head of the inlets." He then quoted the phraseology used in various documents and correspondence connected with these negotiations



ALLEN BRISTOL AYLESWORTH, M.A., K.C.

A Canadian Member of the Alaskan Tribunal.

and declared them to prove satisfactorily to his mind that the intention was to run the boundary around the heads of the inlets.

Following this appeared the joint statement from the two Canadian Commissioners explaining their refusal to sign the Award. They commenced with considering the Portland Canal. There were two channels—a northern which the Canadians claimed should be adopted and a southern which the Americans supported —with four islands lying between them. These were Kannaghunut, Sitklan, Wales and Pearse Islands, and it was claimed should necessarily have been awarded to one or the other contestant. After this premise came the paragraph upon this point which, more than the whole of the rest of the protest or the Award, aroused resentment in Canada:

> When the members of the Tribunal met after the argument and considered the question, the view of the three British Commissioners was that the Canadian contention was absolutely unanswerable. A memorandum was prepared and read to the Commissioners embodying our views and showing it to be beyond dispute that the Canadian contention upon this branch of the case should prevail, and that the boundary line should run to the northward of the four islands named, thus giving them to Canada. Notwithstanding these facts, the members of the Tribunal, other than ourselves, have now signed an Award giving the two islands of Kannaghunut and Sitklan to the United States.

The Commissioners proceeded to declare that the two smaller islands destroyed the strategic value of the larger and menaced Port Simpson.* They then went on to deal with the other important question. They were unable to understand the principle upon which their colleagues acted in selecting the line of mountains and declared that "instead of resting upon any intelligible principle, the choice of this line has been a compromise between opposing and entirely irreconcilable views of the true meaning of the original Treaty. The result of this compromise has, we think, been a distinct sacrifice of the interests of Canada." If the line originally suggested by Mr. King, the Dominion Astronomer, had been accepted it would have been reasonably satisfactory to Canada but, as it was, "we have been compelled to witness the sacrifice of the interests of Canada." Had the six members of the Tribunal each given an individual judicial decision on each of the questions submitted the Canadian Commissioners would have felt it their duty to sign the Award no matter how greatly they may have disagreed with its terms.

On Oct. 22nd, the press published Mr. Aylesworth's judgment (dated Oct. 17th) upon the questions at issue. Regarding the Islands' affair his statements were explicit and vigorous. There was only one entrance to Portland Canal discussed in the Tribunal and that one was accepted by unanimous vote; there was only one explored and named and settled by Vancouver's narrative and maps. Yet, he said, Lord Alverstone had deliberately sought an-

* NOTE—Subsequent data threw more than reasonable doubt upon this belief.

other channel turning at right angles to itself, and by this means had awarded two of the Islands to the United States. It was "nothing less than a gross travesty of justice." It was "no decision upon judicial principles; it was a mere compromise dividing the field between the two contestants." He then argued at great length upon the mountain line question and concluded as follows: "I am, therefore, of opinion that upon the true interpretation of this Treaty the mountains which constitute the boundary are those which skirt the coast, the more prominent peaks among which have been pointed out in the British case and in the argument of Counsel before us."

Sir Louis Jetté's voluminous judgment was dated Oct. 22nd, but was not published in full until a month later. He endorsed the views of his Canadian colleague and, in the matter of awarding Sitklan and Kannaghunut Islands to the United States, he described the action as being "totally unsupported either by argument or authority, and it was, moreover, illogical." If correct and just, all four Islands should have been given the United States. Following this came an elaborate analysis of the mountain line problem and his final conclusion that the Award "deprives Canada of the greater part of that to which she was entitled."

Announcement of the Award

Many things connected with this Award were calculated to arouse suspicion or resentment amongst Canadians—aside altogether from the protest of the Canadian Commissioners. The public mind was already filled with the American idea of a possible surrender by Lord Alverstone to the "ever-triumphant diplomacy" of the United States; the new and as yet very slight Canadian News Service cabled items which were not calculated to throw light upon British opinion or action but were often devoted to retailing the opinions of Canadians in London or of anonymous writers in the metropolitan press. Then came the interview with Mr. Aylesworth and, on Oct. 20th, with the news of the Award, arrived a despatch, offensive and impossible in its terms, but purporting to give what passed in the Tribunal when the Award was being signed. It was sent by the Canadian Associated Press and, to any one understanding the dignified character of British judicial or diplomatic life, the subsequent denial by Mr. Aylesworth was hardly necessary. But at the moment it served as a further spur to public opinion.* More important than these incidental conditions was the fact that when the news finally came it brought by cable the full protest of Canada's two Commissioners but not the judgment of Lord Alverstone—nor even a synopsis of it.

For a week the Canadian press discussed the matter and, as a whole, denounced the Lord Chief Justice without having before

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* NOTE—Lord Alverstone, shooting the Award under Sir Louis Jetté's nose, remarked: "Sign this, Sir Louis."
"What is it?" asked Sir Louis Jetté.
"The Award," said Lord Alverstone.
"You know I will not sign," was Sir Louis' reply.

them his reasons—just or unjust—for his Award. Meanwhile, the despatches in the papers were of a character certainly not calculated to allay the feeling which had been aroused. On Oct. 26th, for instance, there were two long cables from the Canadian Associated Press giving the opinions of two anonymous persons in London as to the alleged sacrifice of Canadian interests and an Associated Press despatch from London, to the New York *Post*, along similar lines. It was not until Oct. 30th that the Toronto *Globe* published Lord Alverstone's judgment upon the Portland Canal question (from the New York *Times*) and it was Nov. 4th before his judgment upon the fifth question appeared in that paper. In the great bulk of the Canadian press neither portion of his judgment was ever published and Canadian opinion was formed regarding Lord Alverstone's action in practical ignorance of the fact that he had ever given a judicial opinion upon the case.

When the Award was announced in Canada the surface sentiment of a part of the people did not wait for press opinions or the views of publicists in order to find expression. The Ottawa *Citizen* of Oct. 24th, declared the feature of the talk about town to be the predominance of Independence ideas. In Vancouver, two days later, a theatre crowd howled down the strains of the national anthem. But the most significant feature of the moment was the flaring headlines in the press. They, no doubt, represented only the ephemeral feelings of the day but they also had an effect in the making of permanent opinion. "Sacrificed on the altar of diplomacy to make Britain solid with the United States" said the Toronto *World;* "Canadian interests have been sacrificed by Lord Alverstone" said the *Globe;* "Robbed of our rights" declared the Peterborough *Times;* "Canada was tricked in the Alaskan dispute" proclaimed the St. John *Telegraph;* "Canadian independence may eventually be arbitrated away" said the Halifax *Herald;* "Surrenders our rights on the altar of expediency" proclaimed the Winnipeg *Tribune;* "Led like a lamb to the slaughter" said the Vancouver *Province;* "Canada robbed of the fruits of victory" said the Vancouver *World.* And so it went throughout the country.

Canadian Opinion of the Award

The public men of Canada—using the phrase in its application to individuals who appear at all in the public view—expressed a greater variety of opinion upon the decision than did the press. To Sir Thomas Shaughnessy (Oct. 21st) it was a very unfortunate outcome. He thought that Canada might have been given access to the sea without evoking United States hostility. Mr. William Robins, of Walkerville, an ardent Imperialist, asked in the Windsor *Record* if Canadians would not have originally jumped at the idea of Lord Alverstone as the sole Arbitrator in the matter:

> As things have turned out Lord Alverstone became the Arbitrator just as fully as though he had been so appointed with mutual consent. The Canadian Commissioners have, by all accounts, proved as immovable

as the Americans. Who shall say that our representatives were less biased than their opponents? Lord Alverstone, free from local prejudice, free from considerations of personal advantage or party *prestige*, sworn to cast his vote according to the evidence, has decided against us.

Mr. Thomas Hodgins, K.C., of Toronto, expressed very strongly in different interviews the opinion he had always urged as to the strength of the Canadian case. In *La Patrie* of Oct. 20th, the Hon. J. Israel Tarte blamed the Dominion Government for the whole result through their reversal of the Arbitration policy and position of 1899. Prof. Shortt of Queen's University, Kingston, stated (Oct. 21st) that he had previously studied the subject with care and had come to the conclusion that "it was impossible to make out a valid case for the Canadian contention on the more important points at issue." Mr. Goldwin Smith, in the *Weekly Sun* of this date, declared that "the British Foreign Office has always done for us the best that diplomacy could do; it would be madness to ask it to do more." A week later, he referred to the subject again: "There can be no reasonable doubt that, on the data, such as they are, Lord Alverstone's judgment is fair. That the British Government approached him, in the interest of its American policy, or that he allowed himself to be influenced is what ought never to have been suggested, and what no one can seriously believe."

To the London *Daily News* of Oct. 22nd, the Hon. Mr. Drysdale, of the Nova Scotia Government, said that the Award would create a very bad feeling in Canada. "It was simply another instance of British diplomacy pandering to the Yankee—a diplomacy which gave a great slice of the Dominion to the State of Maine." In the Toronto *Globe* of this date Senator McMullen pointed out that Canada had recently contributed men and money to aid the Mother Country in South Africa: "Now Canada has received what is virtually a blow between the eyes. If our interests have been sacrificed on the altar of the friendship of the United States, Great Britain is making a serious mistake." At Galt, the Hon. James Young referred to Lord Alverstone's award of the two Islands to the United States as "a gross injustice to this country" and declared that but for this action most Canadians would have acquiesced in the finding.

Speaking in Winnipeg, on Oct. 24th, Mr. W. Sanford Evans urged that Canadians should not make up their minds until they had heard Lord Alverstone's side of the case; suggested the purchase of Greenland from Denmark to avert trouble from the United States in that quarter; and proposed the establishment of a Canadian Department of External Affairs.* On the same day the Victoria *Colonist* had an elaborate interview with Mr. R. E. Gosnell, who had been a close student of the subject for many years. He thought there was no doubt that the Canadian contention as to the Portland Canal had been proved and the claim that

* NOTE—The Australian Commonwealth has had one since its inauguration.

all of the Islands should have gone to the Dominion. He was greatly puzzled as to the reasons for this decision. Upon the mountain line matter he said:

> So far as my own humble opinion went, I never anticipated a result materially different from what has come about. Canada's case on the main contention, though the arguments were prepared with ability and great ingenuity, was not essentially a strong one. Historically considered, it was weak. There was, in other words, no great certainty of victory on the merits of the case.

To Sir Charles Tupper, in the Montreal papers of this date, the decision and the loss to Canada were due to the mistaken policy of the Canadian Government in not adhering to the principle of having three or seven Arbitrators. He had strong faith in Lord Alverstone's integrity. At the Law School in Toronto (Oct. 24th) Mr. John King, K.C., met the interest and indignation of the students with an address upon the subject. He declared the decision not a judicial one, the future safety of Port Simpson to be menaced, the Yukon to be deprived of its seaport and the dissatisfaction of Canadians to be intense. "This dissatisfaction will increase and develop as the Dominion becomes stronger and more self-reliant and aggressive. We cannot forget that this last transaction was only one of several of a similar character. The whole course of British negotiations and treaty-making with the United States might be marked by a line of gravestones, under which our rights have been buried." At Galt, on the same day, Mr. Haughton Lennox, M.P., asked an audience why they should be afraid of war with the United States in a just cause. "Britain would have to choose between Canada and the United States. The United States would be all right so long as it suited them to be so, and Canada would be all right as long as she could, but he wanted Britain to know that, while Canada would stand by the Mother Country, Canada expected the Mother Country to stand by her."

Sir Sandford Fleming gave the Toronto *Globe* of Oct. 28th, an interview at Ottawa, in which he advised everyone to be "calm and quiet until we have the whole facts before us." He had examined recent charts and he was inclined to support the decision as to the Islands. Interviewed in London, on the same day, Sir Gilbert Parker expressed the view that Canada's direct representatives could hardly be termed judicial. "Only the Chief Justice of England was above the suspicion of allowing himself to be used for any political purpose. I happen to know on the best authority, that he pressed this attitude of judicial impartiality upon the British authorities before consenting to act." In the Toronto *Globe* of this date, Mr. J. M. Clark, K.C., urged consideration of Lord Alverstone's character and reputation before forming an opinion which could only stamp him as having disgraced his position. In this case we had his emphatic denial that he had proceeded on other than judicial grounds. To the Toronto press on the same day, Mrs. Nordheimer, President of the Daughters of the Empire,

wrote declaring that the loyalty of that Order was too strong to flicker with every wind that blew. The decision should be accepted with dignity. If judicial, we were bound to accept; if diplomatic we had, as yet, no right to resent it.

To the Vancouver papers on Oct. 28th, Dr. William Ridley, of the Anglican Diocese of Caledonia and who had spent 25 years as its Bishop, expressed his belief, from a long residence at Port Simpson and with an intimate knowledge of the territory in dispute, that Canada had gained more in the acquisition of Pearse and Wales Islands than was expected. "These two large islands are rich in timber and minerals as well as salmon streams. From a strategic point of view their value is inestimable. They command the harbour of Port Simpson and its approaches and at the western end of Wales Island is an eminence some 1,100 feet high and a natural location for fortification. Sitklan and the other islands are small, rocky islets of no value and useless for strategic purposes as they are low and can be swept from Wales Island." In the Victoria *Colonist* of Oct. 29th, Mr. R. E. Gosnell continued his analysis of the case. He agreed with Bishop Ridley as to the great value of Wales and Pearse Islands; did not think the smaller ones had any strategic importance whatever; deprecated the charges being so freely made against a distinguished jurist such as Lord Alverstone admittedly was; and declared that there really were two channels in connection with the Portland affair:

> It is doubtless an open question still which way the boundary line might have gone. In other words, there is room for an honest difference of opinion, but in declaring for the larger and more navigable channel, Lord Alverstone was unquestionably acting within the limits of a sound judgment. The final verdict will, in all probability, be that he was not only judicious, but judicial, in adopting the course he did.

Speaking to the Dawson *News* on Oct. 30th, Mr. F. T. Congdon, Commissioner of the Yukon, said: "I have no doubt that the Award was made with sincerity but I feel that Canada might have been given more." He then added with some significance: "While at Whitehorse last spring, I helped to prepare a number of affidavits on the Boundary question, and thereby learned definitely, to my own satisfaction, there were two sides to the dispute." In the current number of the *Varsity* Dr. S. Morley Wickett, a Lecturer at the University of Toronto and who had been in the Yukon a year before, thought that Canada had not lost much by the Award. Dyea and Skagway were dead towns and the two United States Islands were not in a position to dominate Port Simpson.

To a Conservative audience in Vancouver on Oct. 30th, the Hon. Charles Wilson, M.P.P., deprecated the current talk in this matter. It was not easy to conceive of Lord Alverstone as actuated by any but the highest motives. As to Canada and Britain "it was true they might grumble but it would be between themselves and confined to themselves." At a Toronto banquet on Nov.

4th, President E. T. Malone, of the Irish Protestant Benevolent Society, took the view that "We should respect the honest opinion of the eminent Canadians who sat on that Tribunal. We all loved England, but we did not admire the conciliating spirit adopted towards our friends across the border." The Hon. Mr. Sifton arrived in Ottawa, on Nov. 8th, and was promptly interviewed. He eulogized Messrs. Aylesworth and Jetté; referred briefly to the preparation of the case under his auspices; concisely reviewed the case itself and continued as follows:

> First, I think we proved absolutely and to a demonstration that Portland Channel was as contended in the Canadian case, and that the channel entered the sea at 54 degrees, 45 seconds, running north of the four islands named and giving them all to Canada. Second, I think we proved to a demonstration that there was a mountain line in existence within the terms of the Treaty, and that this line, to comply with the terms of the Treaty, must be in the immediate vicinity of the coast. As to the question of Lynn Canal, in my judgment the acquiescence of Great Britain in acts of occupation by the United States made it difficult for us to expect the Tribunal to decide in accordance with our views.

In a speech at a New York banquet, on Nov. 9th, Dr. Peterson, Principal of McGill University, declared that "Lord Alverstone did all his work and rendered his judgment in the true spirit of an impartial jurist and with the most perfect fairness." To the Montreal *Gazette,* of Nov. 10th, the Hon. Mr. Pugsley of the New Brunswick Government, expressed the belief that the Award was, upon the whole, a good one for Canada. He could not agree with those who charged Lord Alverstone with having sacrificed Canada for the purpose of safe-guarding Imperial interests. The Lord Chief Justice had, in his opinion, performed his duties conscientiously. At a mass-meeting in Montreal on the same day, Mr. R. L. Borden denounced the Dominion Government for having consented to the Treaty without seeing that the approval of Parliament was a necessary part in the acceptance of the Award. The responsibility rested with the Government of Canada. The British Commissioners should have been all Canadians. Whatever the result the people would then have been better satisfied.

At Halifax, on Nov. 24th, Dr. Benjamin Russell, M.P., maintained in a scholarly address that there was room for difference of opinion in the matter of this Award and for at least a possibility of Lord Alverstone having been correct. He was inclined to agree with Sir Sandford Fleming as to the Portland Channel decision and, in any case, the Islands given the United States were unimportant strategically and such fly-specks in size that they had never appeared on Canadian official maps. He strongly deprecated the attitude of the newspapers. "In their treatment of this question they were as wild, as partisan, and as reckless as the yellow journals of the United States on the eve of the Spanish-American War or in the crisis of the Venezuelan dispute." What amazed him was that while unable to come to any clear opinion on the subject himself, during the days immediately following the Award,

though he had sought such material as was available and consulted various more or less erudite individuals:

> Almost every newspaper writer in the Dominion knew enough about the matter to be able to say off-hand, without a moment's hesitation or reserve, not only that the judgment of the majority was erroneous, but that Lord Alverstone in particular, who had joined the three Americans in arriving at a majority decision, had thereby become a perjurer, a traitor and a scoundel. The words were not used but every one of these charges against Lord Alverstone was, in effect, conveyed in the current newspaper criticisms of his course.

To the Victoria *Times,* on Nov. 26th, Mr. L. P. Duff, K.C., one of the Canadian Counsel in the case, stated that the decision of the Tribunal was quite as unpalatable to the people in Great Britain as a whole as it was to Canadians. But "in such matters the Briton is reserved and secretive and consequently his real feelings found few avenues of expression." Mr. F. C. Wade, K.C., on the other hand, was open in his denunciation of the Award. In a lecture at Winnipeg on Dec. 15th, he analysed the subject at length from the Canadian Commissioners' standpoint. In December Lord Dundonald visited Port Simpson with the view, it was supposed, of ascertaining the strategic position of the new possessions. He would say nothing to the public, however, further than that while the Empire possessed its sea-power no one could touch the proposed railway terminus.

The Toronto Banquet to Mr. Aylesworth

Meanwhile, Mr. Aylesworth had arrived at Boston on Nov. 1st, upon his way home and, according to a despatch in the Toronto *Globe* "more than one point in an historical parallel could be recognized" in his arrival at that port on the steamer *Mayflower.* According to the interview which that paper obtained the Canadian contention regarding the Portland Channel had been accepted as "absolutely unanswerable" by Lord Alverstone on Oct. 12th. Daily meetings continued and the matter was not further mentioned until Saturday, Oct. 17th, when the Lord Chief Justice intimated his change of opinion. The final decision was to be given on Monday and it was then that the Canadians expressed themselves so strongly. To a *Telegram* correspondent he denied the silly reports sent out as to the King having tried to persuade the Canadians to sign the Award and stated that "British sentiment is pro-Canadian rather than pro-American. The average British citizen is dissatisfied with the Award." In the Toronto *News,* upon his arrival on the 2nd, Mr. Aylesworth hoped that Bishop Ridley's assurances were correct as to the strategic position of the Islands but he feared not. He did not know the exact distance of the United States islands from Port Simpson.

A Toronto banquet to the Canadian Commissioner took place in the evening at the King Edward Hotel and was attended by 350 of the representative younger men of Toronto. It had been preceded by unpleasant rumours in the press as to being the occasion

for an anti-British demonstration. The *World* had declared, in fact, that resentment was to be the keynote of the gathering; which would also be marked by an absence of British music, songs and flags. Nothing of the kind occurred, however, although Mr. Aylesworth could have easily aroused intense excitement had he wished to do so. The only toasts were those of the King and the guest; and an immense British flag hung behind the President of the Canadian Club (Mr. D. Bruce Macdonald) under whose auspices the affair was held. In his speech Mr. Aylesworth paid a high tribute to the late Judge Armour and to Sir Louis Jetté, who was still detained abroad; expressed his personal regard and respect for Lord Alverstone and the other members of the Tribunal; described the composition of that body as unique in the history of nations and its duties as being adjudicative and not arbitrative; and then gave in cool, careful and measured language, a review of the case from his standpoint.

Upon the Islands' question he spoke with brevity and apparent certainty. From the first it was simply a matter of fact as to whether the channel traversed by Vancouver was the one north or south of the four islands. "Until the time of the conclusion no question of dividing these islands had ever, to my knowledge, been suggested." The result was not an interpretation of the Treaty nor an adjudication of the case. As to the mountain boundary there were two views. One was that it should run along the main coast; the other that it should be many miles inland. Neither, he claimed, was adopted, and the decision, therefore, was a division of territory, not an adjudication. After paying tribute to Lord Alverstone as "a thorough gentleman, an honest, true friend" he went on to describe his own view of the Tribunal as "made up of delegations from the two nations interested." This opinion was not held by the Chairman of the Tribunal. He seemed to think that there were two distinct contesting parties—Canada and the United States—and that he was judge or umpire between them. Mr. Aylesworth then eulogized the preparation of the British case at the hands of the Hon. Mr. Sifton and its masterly presentation by Sir Robert Finlay, Sir Edward Carson and Mr. Christopher Robinson. He concluded with an expression of pride in the Union Jack, of pleasure in the ties binding Canada and Great Britain which, "though light as air were strong as steel," and with a peroration which evoked great cheering and enthusiasm: "Two thousand years ago it was a man's proudest boast to be able to say 'Civis Romanus sum.' Is it not now a matter of equal pride to be able to quote the words of a noble Canadian: 'British subjects we were born, British subjects we will die'?"

The opinions of the press upon this occasion were varied. The Toronto *News* (Nov. 3rd) declared the peroration the best part of the speech and described the audience as having plenty of the headlong temper of youth and the President's short address

as "belligerent in its Canadianism." Hence the delicacy of the occasion and a difficult situation saved by the sudden appeal to a deep and real underlying sentiment in Canadian hearts. The Toronto *Star* stated that Mr. Aylesworth had declined to become "the spokesman of prevailing Canadian sentiment." The *Mail and Empire* described it as "a stunning blow to the separatist campaign." The *World* denounced the speaker for his "respect for titled greatness" in the person of Lord Alverstone and declared that his speech "did not breathe that spirit of dignified nationality in which Canada rejoices." The Toronto *Globe* of Nov. 5th had a significant editorial in the course of which submission, with protest, was the summed-up attitude of Canadians. As to Mr. Aylesworth:

> Had he told the whole story, or even as much of it as is known to others not on the Commission, such a fire would have been kindled as neither Imperialistic exhortation nor trade preferences would soon put out. The criticalness of the situation was appreciated by those who knew at all accurately the history of the negotiations in London and understood at all correctly the temper of the Canadian Club of Toronto. That Mr. Aylesworth understood is plainly the secret of his restraint and moderation.

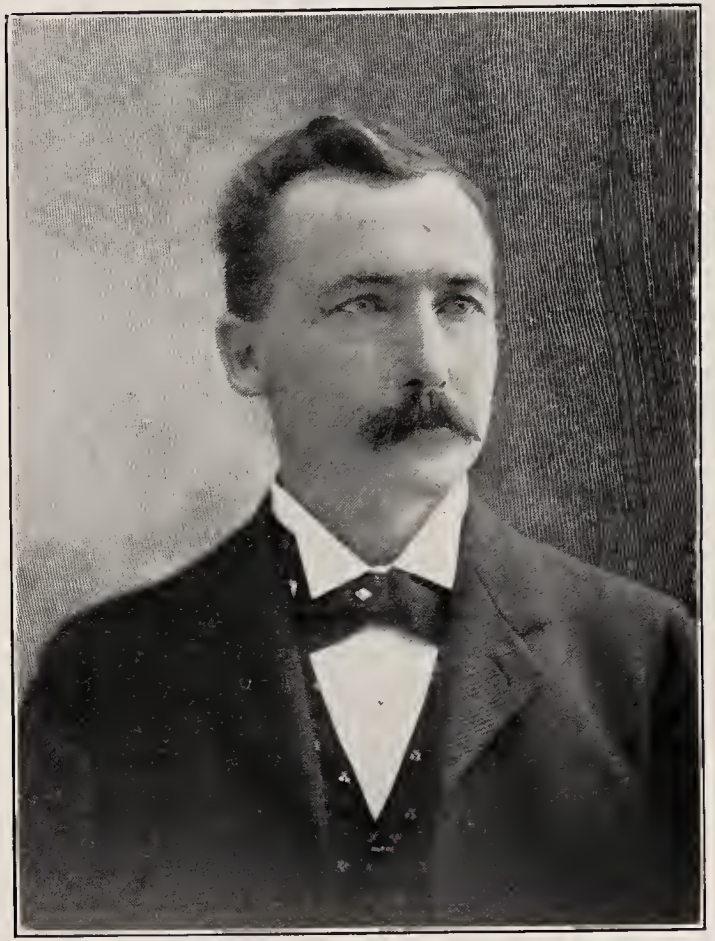
The Press of Canada and the Award

The Alaskan Award controversy, having something of the family quarrel in its character, the comments of the press in Canada were frequently keen to the point of bitterness. The language used could not, as a rule, be termed measured except in a certain number of cases on Oct. 19th when the news of the Canadian protest had not yet arrived. To the New Westminster *Columbian,* on this date, the "usual thing" had happened and Canadian interests were again sacrificed though we had little right to protest owing to our refusal to contribute to Imperial defence; to the Winnipeg *Tribune* "our long and bitter experience with British statesmanship when the interests of Canada conflict with those of the United States" was not calculated to create or foster confidence as to the Award; to *Le Canada,* of Montreal, it was all due to Mr. Chamberlain and (oblivious of the fact that he was in South Africa when the Treaty was signed) that paper declared that he had made the arrangements, refused the protests of Canada, given Lord Alverstone his instructions and condemned the Dominion before the case was heard; to the Toronto *Star* there had never been a minute in which intelligent Canadians expected that Canada would receive her claims, or any just portion of them from the United States, except by force; to the Vancouver *Province* it was another case of Canadian territory being given away to placate a Foreign country.

On the other hand, the St. John *Globe* looked upon the matter as a compromise and thought it unlikely that Lord Alverstone would do other than right; the Brantford *Expositor* was glad to get an old dispute out of the way; the St. John *Telegraph* thought

THE HON. SIR LOUIS A. JETTÉ, K.C.M.G., K.C., LL.D.

Lieut.-Governor of Quebec, and Canadian Commissioner on the Alaskan Boundary Tribunal.



THE HON. CLIFFORD SIFTON, K.C., M.P.

British Agent before the Alaskan Boundary Tribunal.

that some months hence the general feeling would be that Lord Alverstone had "decided conscientiously as a judge upon the facts and arguments submitted;" the Charlottetown *Guardian* was pleased that a long-standing and possibly dangerous dispute was disposed of; the Hamilton *Herald* thought it unfair to assume that Lord Alverstone would deliberately sacrifice Canadian interests. Then came the protest of the two Canadians on the Tribunal and, though a few papers still waited for Lord Alverstone's side of the case, they were very few.

To the Guelph *Mercury* the bitter part was that the Lord Chief Justice had simply followed the traditions of British diplomacy where Canadian territory was concerned; to the Montreal *Witness* it was the old story of Great Britain not caring to quarrel with the United States for Canada's sake; to the Toronto *News* the ancient spirit still animated British diplomacy under which Canada had suffered "incalculable loss and despoilment at the hands of the United States" and this decision would "confirm a deep-seated resentment in many minds; to the Hamilton *Herald* danger from Anglo-American friendship would not pass until Canada possessed nothing more that the United States desired; to the London *Advertiser* a wrong had been committed which could not now be righted; to the Stratford *Beacon* it meant that Canadian interests were to be sacrificed whenever supposedly Imperial interests intervened; to the Ottawa *Free Press* the whole affair was cut and dried and the proceedings of the Tribunal a farce; to the Vancouver *Province* it was "a shameful betrayal of our interests;" to *La Presse,* of Montreal, Great Britain had sacrificed the confidence of her greatest Colony to conciliate the doubtful good-will of the United States; to the Manitoba *Free Press* it was a case where Canadians would almost unanimously accept the statement of their representatives as to the sacrifice of their interests; to the Halifax *Chronicle* the result had clearly and humiliatingly revealed our subordinate position and had made it almost unendurable; to the Strathcona *Plaindealer* it was "a game played with loaded dice against us."

The Conservative press was not quite so outspoken in its denunciation of Great Britain, or in its criticisms of Lord Alverstone, but the under-current of resentment was none-the-less visible. To the Ottawa *Citizen* the Portland Channel boundary line showed neither reason nor justice; to the Sydney *Post,* it was a new illustration in dealing with the United States of the motto that "he that would sup with the Devil needs a long spoon;" to the Toronto *World* it was another case of British cultivation of United States friendship at the expense of Canada; to the *Mail and Empire* it was not dignified to grumble, or to attribute motives to Lord Alverstone, and the decision was not as bad as it might have been; to the Calgary *Herald* it was a humiliation to Canada "and perhaps a final lesson of what we may expect from British diplomacy;" to the Quebec *Chronicle* the conduct of the Canadian

Commissioners after the Award had been "singularly undignified and worthy of reprobation;" to the Regina *West* it was a matter which would weaken the Imperial bond; to the St. John *Sun* talk of straining the bonds between Canada and the Empire on this account was mischievous nonsense; to the Halifax *Herald,* the Winnipeg *Telegram,* the Victoria *Colonist,* the Montreal *Star* and other Opposition papers the whole thing was a lamentable result of Sir Wilfrid Laurier's diplomacy.*

These few comments simply indicate the general character. There were three conclusions which the press seemed to almost unanimously accept. One was that the decision was diplomatic and not judicial; another was that it formed part of the British policy of cultivating friendship with the United States; a third was that the provocation, though great, was not sufficient to seriously undermine the British loyalty of the people. Despite a few exceptions this may be said to have constituted the public opinion of Canada upon the issue. Coupled with these convictions was a very general and often personal feeling against Lord Alverstone as having abandoned his judicial position and national and natural convictions for a political purpose. There were few to defend him and his judgment was never seen or his views upon the question heard of by the people as a whole. Two of the exceptions in this popular attitude were the Hamilton *Spectator* and the St. John *Gazette.*

A word must be said here as to the aggressive attitude assumed by the Toronto *Globe.* It took the line that Canadians were fully justified in accepting the view of their own Commissioners; that throughout the matter Canadians had been treated like children with the British Ambassador in Washington acting as a stool-pigeon for the United States; that Lord Alverstone should reply to the judgment and the charges of the minority Commissioners; that Canadian resentment was deep and settled; that while war was deplorable, sacrifices in the interest of peace should not all lie at the doors of Canada; that such a policy on the part of Great Britain was injustice to the Dominion, a humiliation to the Empire and an encouragement to United States aggressiveness.† Finally, it declared that: "The British Foreign Office desired to have the controversy closed and preferred 'compromise' to long delay. The American Commissioners held out against Lord Alverstone's judgment. His Lordship, against his own judgment, yielded for diplomatic reasons."

British Opinion as to the Award

The bulk of public opinion in Great Britain, as expressed by the newspapers, was one of regret that Canada had not got all she wanted but of absolute confidence in the justice of the decision and the action of Lord Alverstone. To the average journalist, bred in the traditions of British judicial integrity and honour, the asper-

* NOTE—Through all the earlier and more serious comments there was an undercurrent of inquiry as to Lord Alverstone's reasons and of wonder that he should not have given some explanation. Yet his careful judgment had already appeared in the British press.

† NOTE—Editorials of Oct. 23rd, 26th, 27th and Nov. 7th.

sions upon the Lord Chief Justice's judgment from Canada were difficult to understand. There were, of course, exceptions in the press of a sensational character and some party papers made the most of the occasion as a means of striking at the Home Government. A few journals such as the *Daily News* and Mr. Stead's *Review of Reviews* were avowedly pro-American but they were in a very small minority. The ignorance of the *News* may be seen from its conclusion (Oct. 21st) that "the passing of Port Simpson into the hands of the Americans seems to dash all the designs of the Canadian pioneers who wished to bring the new Pacific Railway to the coast."

The *Standard* (Oct. 21st) regretted the result but felt sure that whatever might be thought of the decision in Canada it would be felt that Lord Alverstone was guided by "a paramount sense of conscientious obligation." Otherwise, he could not have sided with strangers against his own countrymen. The *Daily Mail* admitted the latter point but thought the decision diplomatic rather than judicial. The *Times* (Oct. 27th) could recognize no divergence or distinction between British and Canadian interests in the affair and this fact it hoped Canada would appreciate:

> She may be assured that, in this country at all events, while there is regret and sympathy with her disappointment, there is absolutely no desire that British interests should gain at the expense of Canadian, and no feeling that they have so gained here. For all Colonial questions are Imperial questions, and the interests of the Mother Country and her Colonies in the Empire are one and inseparable.

The *Scotsman* did not think it was a purely judicial decision; the Glasgow *Herald* thought all the Commissioners except Lord Alverstone were biased; the *Spectator* declared that when the cause was undoubted and the issue worth while, Great Britain would fight the Americans or any other people rather than yield but that Canada in this case would have been the first to object to war; the *British Empire Review* thought that, in view of the ambiguity of the evidence and the far-reaching Imperial importance of the issues involved Lord Alverstone "would have been fully justified in subordinating his personal views to those of his colleagues." The *Canadian Gazette* of London (Oct. 22nd) had a rather interesting opinion in the premises: "There is here no such case of British diplomatic neglect and want of foresight as marked the Maine and Oregon incidents. What neglect and want of foresight there has been in the past has been as much Canadian as British. While the United States was quietly strengthening her claims by investigation and settlement, Canada was asleep or busy with more vital concerns nearer home; she was even content to use maps in which the United States claims were frankly adopted."

On Nov. 10th the Premier and Lord Alverstone spoke at the Lord Mayor's banquet. Mr. Balfour expressed his "natural regret" at the decision being adverse and then dealt with two points in the subject. "In the first place, without going into

details, the two small islands whose loss to Canada has caused great feeling have, from a strategic point of view—the point of view in which we in this country are as immediately and directly concerned as the great Colony itself—those two islands have really no value from a strategic or military point of view if the advice of our experts at home is to be trusted, as I firmly believe it is." In the second place he dealt with the importance to Canada, as well as to Great Britain and the United States, of having the question settled. Lord Alverstone referred as follows to the appeals made to him for an explanation of his judgment—ignorant, no doubt, of the fact that the document in question was practically unknown to Canada:

> I am not here, and no man would expect me to come here, to justify my judicial conduct by any public speech. If the Judges of England, when they have given their reasons and when they have given their judgment on their own responsibility, thought it was necessary afterwards to explain and justify their conduct by public utterances and by public argument, a death-blow would be struck at the confidence in judicial decisions. Let me say but one word more, and I am sure you will appreciate what I mean if I may put it in the plainest possible language. Discussions will arise between nations as they have arisen before. If you do not want a judicial decision, do not ask British Judges to be members of the Court. And if any Judge was afraid of doing his duty because of popular outcry or possible discontent, then, indeed, the fount of justice would be undermined and that which the Judges of England have so long been proud of would cease to be that on which they might justly pride themselves.

The United States View of the Award

Prior to the sitting of the Tribunal a certain number of American journals frankly admitted that their Commissioners were partisan in their views and would act up, or down, to that standard. Amongst these were the Detroit *Tribune,* the New York *Evening Post,* the Boston *Journal,* the New York *World,* the Brooklyn *Eagle,** the New York *Commercial-Advertiser,* the Detroit *News,* and the Pittsburg *Dispatch.* The last-mentioned paper on Sept. 4th had this interesting comment and, with a few notable exceptions such as the New York *Tribune,* it represented journalistic opinion with a fair degree of accuracy:

> We hold the territory and will continue to do so. As a matter of fact, the whole idea in appointing the Commission was to provide means for an amicable recognition of American rights. There is nothing to compromise or arbitrate on the American side; but we are willing to go to some trouble to give the British and Canadians an opportunity of admitting that we are right.

The comments of the United States press were of a very mixed character during the two days following the Award but can hardly be described as over-friendly to Canada. The Boston *Advertiser* thought Canada had done pretty well to get the Portland Canal and believed the expressed dissatisfaction was for American con-

* NOTE—This journal remarked that there was as much chance of converting the United States Commissioners to the British side as there was of "a thaw in Hades."

SKAGWAY, ON THE LONG-DISPUTED BOUNDARY LINE OF ALASKA AND CANADA.

sumption; the New York *American* considered Canada's contention a brilliant example of the principle that if you claim a lot you may get a little and thought the result better for the United States than was usually the case in their disputes with the Dominion; the New York *Sun* thought that the latent danger of this issue in recent years could hardly be over-estimated and described the action of Lord Alverstone as one of conscience and courage, in an upright Englishman; the Portland *Argus* considered that the British Parliament had obtained more for Canada than she could have got for herself; the Boston *Post* thought the great point of the matter was that the two English-speaking nations had settled a serious dispute without even calling in an umpire; the Detroit *News* urged Canada to cease its "pouting petulance;" the Chicago *Tribune* advised Canadians to appreciate Lord Alverstone's courage, fairness and conscientiousness and not to go in for an independence which would only be a step to the annexation which, in any case, was their natural destiny.

The Baltimore *Sun* on Oct. 22nd, eulogized Lord Alverstone, criticized the "undignified and churlish" attitude of the Canadian Commissioners and thought the incident would increase annexation sentiment in Canada; the New York *Sun* declared that this Award had removed the chief objection to an Arbitration treaty with Great Britain; the New York *Times* denounced the Canadian Commissioners for impugning the good faith of their own colleague; the New York *Tribune* pointed to the loss of about one-sixth of the territory which the United States had claimed. On Oct. 26th the Washington *Times* described the Canadian attitude as childish and declared the decision to be due to Great Britain wanting United States friendship more than Canadian loyalty. Various other views were expressed during the week following the Award. The New York *Press* declared that any other nation would have gone to Ottawa and pointed out the correct boundaries in the Dominion Archives with a sword; the Milwaukee *Free Press* thought the two small islands might as well have been given to Canada; the Pittsburg *Gazette* believed this to be the first time that Canada had not got the better of the United States in diplomatic contests; the Seattle *Post-Intelligencer* observed that Canada lost nothing save an intangible claim which she could have only made good by war; the Philadelphia *Ledger* regarded the current Canadian sentiment and the treaty-making demand as evidence of a desire for separation from the Empire.

The United States Commissioners did not talk very much about the Award. Senator Turner told the press at New York on Oct. 30th that Lord Alverstone had acted like an impartial jurist and described the two American islands as of little value except from a strategical standpoint. The decision, in this respect, was based upon Vancouver's narrative. Senator C. W. Fairbanks, speaking at Indianapolis on Oct. 20th, described the Award as eminently just to both parties and thought that neither

had lost any substantial interest to which it was entitled. In his Message to Congress on Dec. 7th, President Roosevelt reviewed the question and concluded as follows:

> The result is satisfactory in every way. It is of great material advantage to our people in the Far Northwest. It has removed from the field of discussion and possible danger a question liable to become more acutely accentuated with each passing year. Finally, it has furnished a signal proof of the fairness and goodwill with which two friendly nations can approach and determine issues involving national sovereignty, and by their nature incapable of submission to a third power for adjudication.

The Monroe Doctrine and Canada

The Venezuelan embroglio and the Panama incident caused a considerable discussion of the Monroe Doctrine in Great Britain and Canada during the year. In January the *British Empire Review* criticized Sir Frederick Borden's recent expressions as to the value of this Doctrine to the defence of Canada * as a regrettable endorsation of "a craven view" of the responsibilities of Britain and the Dominion. Speaking at New York on Feb. 4th, Lord Charles Beresford, M.P., eulogized the Doctrine. If an American he would fight for it; as an Englishman he would support it. At Chicago on Apl. 2nd, President Roosevelt declared the policy of the United States to be a watchful vigilance in seeing that no infringement of the Monroe Doctrine occurred in Venezuela either by the acquisition of territory or in the acquirement of control equivalent to the seizure of territory. But this view must not be a matter of bluster and brag. "We want a powerful and sufficient navy, not for purposes of war, but as the surest guarantee of peace." During a series of speeches at this time the President never lost an opportunity of eulogizing and emphasizing the Monroe Doctrine. So far as the policy might affect Canada the Toronto *Globe* of May 28th had the following comment:

> We have read in the United States publications that Americans would not permit aggressions in Canada by a foreign power. That is doubtless very kind, but it is a service that was quite unsolicited, and we shall never, even in the hour of our direct need make any appeal for a fulfillment of this offer of protection. Canadian soil is not much exposed to aggression from abroad and, therefore, not much defence is necessary, but, whatever is required, we will depend mainly on ourselves. We are not likely to quarrel with foreign powers. If we become involved in a war it will be because of our connection with the Mother-land, and so long as the old lion has a claw left he will stand back to back with us until the opposer has had enough.

At Fitchburg, Mass., on Nov. 5th, the Hon. C. Emory Smith said in this connection: "We have drawn a circle around the Americas and made the Monroe Doctrine its dominant law. Herein lies the true safeguard of Canada in consulting and protecting her own independent interests, and it will be wise and well for her to understand and appreciate the broad American

* NOTE—See *The Canadian Annual Review*, 1902, page 117.

spirit." In Ottawa, on Nov. 10th, Prof. McGregor Young of the University of Toronto addressed the Canadian Club on this question and in Toronto on Dec. 14th, Mr. T. C. Robinette, K.C., did a similar service to the Mulock Club.

Canadian Views Regarding Reciprocity

There was no indication in Canada during the year of anything approaching a movement toward Reciprocity, although isolated expressions or efforts of a favourable character occurred. On January 10th. Hon. Clifford Sifton, Minister of the Interior, was in St. Paul, Minnesota, and at the Commercial Club delivered an address to a representative gathering, which included Governor S. R. Van Sant and Archbishop Ireland. He stated that he had been visiting Canadian Emigration Agencies in the States, and had everywhere found a great lack of knowledge prevailing as to Canada. After a reference to the overflow of American population which the Dominion was now receiving, and to the evil done by newspapers on either side of the line which printed irritating articles regarding the other country, Mr. Sifton declared himself in favour of any fair treaty which should give equal advantages to the products of both countries. But the future must depend upon the educative campaign which was so absolutely necessary in the United States. "Canada has made many advances in that direction, and is now ready to meet the United States on any fair proposition." Mr. J. J. Hill, President of the Great Northern Railway, who presided, urged free trade in coal, wheat and lumber. On January 15th, in Toronto, a banquet was given to Sir Frederick Borden, Minister of Militia, under the auspices of the Anglo-Saxon Union, an organization formed for promoting friendly relations with the United States, and presided over by Mr. W. A. Sherwood. During his address the Minister made the following reference to the question under consideration :

> We have heard, all of us, a great deal about the question of Reciprocity. Some of us, perhaps, in times past thought that the United States were unfriendly, were disposed at any rate not to be as friendly towards us on questions of trade as they might be. I am bound to say that at one time I took that view myself, but even if I held that view to-day I would feel that the account was pretty nearly squared ; because as a result of their refusal to trade with us they have made us self-reliant, and have made us the greatest rival they have in the one free market of the world. It would be a most desirable thing that trade between these two countries should flow as freely as possible. And when the time comes and the United States are prepared to trade with us, I would hold up both hands for a fair and honourable arrangement for the exchange of commodities between these two countries.

Meanwhile, Mr. Charlton was preparing to continue his campaign of the previous year in the United States. To the Toronto *Globe* of January 21st, he stated that in recent visits to the Republic he had been in communication with many public and business men, and had found everywhere a great change of opinion in this connection. The Reciprocity movement was "strongly

supported by the manufacturers" but not so earnestly by the farmers and lumbermen. "Doubtless the change of sentiment is largely caused by the proposition at the last Session of our Parliament to discriminate further in favour of the countries which admit our natural products free of duty, the minimum rates being so fixed as to confer a degree of protection as great as that at present enjoyed."

On the same date, the *Post* of far-away Edmonton denounced any such policy as involving the destruction of Canadian industries and constituting actual treason to the country. To the Woodstock *Sentinel-Review* of three days later, Senator James McMullen declared that Reciprocity could never be arranged until the Alaskan question was out of the way. Even then the matter would require great care. "Canada is a very desirable market for the American manufacturer, and he hopes to further increase the amount of his Canadian sales by Reciprocity. For my part, however, I would like to see the Canadian manufacturer produce many of the articles which we now purchase from American firms. In our own self-defence we must take steps to see that the Canadian industries must not suffer through Canada being made a place of slaughter for the surplus of American goods, and therefore we cannot consent to free trade for these manufactured articles."

In the *North American Review* for March, the Hon. J. W. Longley, Attorney-General of Nova Scotia, dealt with the subject of Reciprocity at length, pointed out the many efforts which Canada had made to obtain it, and declared that any further action must begin in the Republic. In the New York *Outlook* of a few days later, Mr. Charlton had an article upon "The Growth of Reciprocity Sentiment," in which he referred to Canada's new-born sense of strength and her continued progress; spoke of the possibility of a preference in the British market killing the chances of success for any American trade movement; expressed the belief that the American manufacturer was waking up to the situation; pointed out that Canadian exports of farm products to the United States had decreased from $25,041,000 in 1866 to $7,027,000 in 1902, and had, meanwhile, increased to Great Britain from $3,544,000 to $79,545,000. Canada was now the largest customer of the United States for manufactures, and for this reason he believed it would be in the interest of the Republic to seek Reciprocity.

Mr. Charlton maintained this advocacy during the year. In the House of Commons, on Apl. 21st, he spoke at length, in the Budget debate, upon Reciprocity. The present, he believed, was a time for negotiation, not for retaliation; if in the future fair fiscal treatment by the United States was refused then it would be our duty to raise the highest possible tariff against that country. In 1902, the manufactures coming into Canada free of duty from Great Britain totalled $7,988,000 and from the United States $21,195,000. Notwithstanding the Preferential tariff the in-

crease in the past 4 years in this respect had been 51 per cent. from Great Britain and 67 per cent. from the United States. The latter was, he contended, the country which nature and our needs made it necessary to trade with. He addressed the National Convention of Implement and Vehicle Makers at Cleveland, Ohio, on Oct. 22nd, and told them that "something wants to be done to arrest the drift of events that sets towards hostility of sentiment and divergence of interest and it wants to be done soon." In Chicago, on Nov. 10th, he spoke at the banquet of the Illinois Manufacturers' Association and urged free trade in natural products. If not given soon the Canadian tariff would go up to the general level of American duties.

On Nov. 27th, Mr. Charlton addressed his constituents at Waterford. He deprecated Mr. Chamberlain's policy as not being so beneficial to the farmers as Reciprocity with the States; declared that the people of the Republic were ready to negotiate; described the courtesy and appreciation with which his arguments had been received there; and believed that Canada had a great opportunity to assist by this means in promoting harmony between Great Britain and the United States. On Dec. 10th he addressed the Boston Chamber of Commerce on the subject. He described the geographical, natural, and ethnical affinities of Canada and the United States; declared the conditions of prosperity amongst the States of the Union to be the same as those between the Provinces of Canada and the States; believed in the nearest possible approach to free trade; and concluded as follows:

> Canada will choose between the British Preferential trade and Reciprocity. It is time, in her own interests, for the United States to manifest a spirit of fairness and generosity towards Canada, and the more generous this manifestation of spirit is, the more satisfactory to the United States will be the result. The critical hour is at hand when Canada will have arrived at the parting of the ways and will decide whether she shall cultivate intimate and natural relations with the United States, or whether she shall put up her tariff wall against that country and become a component part of a great Imperial trade federation. The United States can decide that the latter shall be the case by maintaining its present tariff policy.

In the Toronto *News* of Dec. 19th, Mr. Charlton contributed a long article describing his view of Reciprocity *versus* Preferential tariffs. Free trade in natural products with the United States would give the Canadian farmer what he termed a preference in a multitude of products for which they would get a market there and upon which the present duties would be removed; Mr. Chamberlain's policy would only give the Canadian farmer a preference upon wheat, flour, eggs, butter and cheese. Obtaining the former would not sacrifice or injure British trade but simply open up a new and immense market in barley, potatoes, cattle, horses, lumber, iron-ore, etc. His policy would mean the extension to Canada of "the great currents of continental trade, activity and progress." Meanwhile, the languid interest of other Canadians found some

occasional expression. President G. S. Campbell, of the Halifax Board of Trade, in his annual address on Jan. 20th, thought that Canada would welcome a fair arrangement not injuring Canadian interests or discriminating against the Empire. But the proposals must come from the United States.

In the House of Commons on Apl. 16th, the Hon. Mr. Fielding drew attention to the increasing number of thoughtful and influential Americans who favoured Reciprocity; declared his belief in the soundness of the policy but his doubt as to Canada's present desire for it; read the correspondence which had passed between Senator Fairbanks and the Prime Minister as to the proposed reassembling of the dormant Joint High Commission now that the Alaskan question was out of the way. In this interchange of letters the Canadian Premier had stated on Feb. 17th, that: "I think it would be inadvisable to have the Commission meet officially unless we are pretty sure in advance of being able to come to some conclusion in some important points." On Apl. 30th, Mr. D. C. Fraser told the House that while he favoured Reciprocity as much as ever it was "up to the Americans" to move in the matter. Speaking at a banquet in Toronto on June 11th, Lieut.-Col. G. T. Denison declared that such a policy would prevent Imperial preferential tariffs and, amidst loud cheers, declared that "Canada should avoid Reciprocity as she would the plague."

To *Harper's Weekly* at the end of July Mr. Robert Holmes, M.P., a Liberal and an old-time supporter of Reciprocity, wrote declaring that Canadians were now quite independent of closer United States trade relations and that the mass of them "did not care two straws" whether they got Reciprocity or not. Speaking to the Canadian Manufacturers' Association on Sept. 17th, President C. A. Birge deprecated any such policy in strong terms and claimed that "not a vestige of sentiment for Reciprocity with the United States remains among our people." A Resolution was passed opposing any Reciprocity treaty "affecting the manufacturing industries of Canada." On Oct. 13th, Sir Wilfrid Laurier wrote the following letter to Mr. Wharton Barker, who had written him as to reviving the old movement in favour of closer commercial relations:*

> In my estimation a movement, such as you suggest, would not meet with any favour in Canada and, personally, I would be opposed to it. You are aware that the Liberal party, some few years ago, carried on a campaign in favour of a policy of Unrestricted Reciprocity between Canada and the United States. You are likewise aware that our efforts in that direction were received with no sympathy in your country. For my part, I valued very highly the importance of the American market for Canadian products; but, failing to make an impression in that quarter, we directed our efforts elsewhere and I am glad to say that they have been successful beyond all expectations. That movement in favour of Unrestricted Reciprocity had its *raison d'etre* some twelve years ago; in the present conditions of our trade, its *raison d'etre* has ceased to exist.

* NOTE—See *North American Review*, March, 1904.

Replying to a question in the House of Commons on Oct. 16th, Mr. Fielding stated that the resumption of negotiations in connection with the Joint High Commission would not be considered until after the Session. Addressing the Canadian Club in Toronto, on Nov. 30th, the Hon. G. W. Ross strongly opposed any policy along this line. It would involve Canada in an entangling alliance and leave her at the mercy of a United States repudiation of the Treaty. He preferred to develop trade along British lines. In his Toronto speech, on Dec. 11th, Sir R. J. Cartwright concluded his review of the fiscal situation with an urgent appeal for friendly relations with the Republic:

> I may be pardoned for saying what my own position is. I have held it long; I have advocated the formation of a friendly alliance by any possible means between Great Britain, Canada and the United States. With that view I advocated Reciprocity with the United States. Largely with that view I have advocated the British Preference. It is for that reason I would welcome an English zollverein in that direction, and if Britain and Canada desire to bring about that realization, then I would heartily bid them God-speed.

Canada and the United States Duty on Coal

Early in the year a measure was presented to the House of Representatives at Washington by Mr. McCall of Massachusetts, and in the Senate by Mr. H. Cabot Lodge, looking to reciprocity in soft coal between the United States and Canada. The American duty at this time was 67 cents per ton of 2240 lbs. and the Canadian duty was 53 cents per ton of 2000 lbs. On Jan. 14th, however, a measure passed both Houses without any Reciprocity condition and providing for a rebate of the duties on coal for one year. They were suspended on the following day. This legislation was purely in the interests of the people of the United States and was based upon the need for more coal at this particular time. In Canada there was some discussion, though not a very lively one, as to whether this country should reciprocate. The Toronto *Globe* pressed strongly for such a course—" not because the United States has done so, but because it would be of great advantage to Canada." Sir Thomas Shaughnessy (Jan. 14th) stated that such action would be a great benefit to his Railway but " we must consider the question in its relation to and its effect upon the industries of Canada as a whole, and upon our own coal-mining industries." Operators in coal mines such as Mr. Cornelius Shields at Sydney strongly opposed the proposals.

At Ottawa, on Jan. 22nd, Mr. Charlton urged the step as the thin end of the Reciprocity wedge while Mr. R. L. Borden, speaking in Sydney, opposed it as dangerous to the great coal industry of Canada. At the meeting of the Nova Scotia branch of the Canadian Manufacturers' Association, in Halifax, on Mch. 3rd, President J. R. Henderson declared that the coal operators of Nova Scotia had petitioned the Government against any removal of the duty on bituminous coal and a Resolution was unanimously

passed declaring that such action would be a breaking of the tacit arrangement by which this interest in Nova Scotia received protection in return for protection given to other interests in the other Provinces. No change was made or attempted, however, and the discussion soon ceased.

Reciprocity Discussed in the United States

More and more frequently during 1903 was the question of reciprocal and closer trade and tariff relations with Canada discussed in the Republic. This was partly due to a growing recognition of Canada's growth, partly to the work of Reciprocity Leagues and organizations, and partly to the awakening influence of Mr. Chamberlain's British fiscal campaign. At the meeting of the National Board of Trade at Washington, on January 15th, the Report of the Reciprocity Committee was adopted. It urged reciprocal trade legislation along the lines laid down by Presidents McKinley and Roosevelt and, after declaring that "man for man the Canadian people are the best Foreign customers that the United States possesses," and that there was now danger of this market being "seriously curtailed to the loss of all classes of American producers," it continued :

> Resolved, that the National Board of Trade respectfully petitions the President and the Congress of the United States and the American members of the Anglo-American Joint High Commission, to do all that lies in their respective powers to secure a trade treaty between the two countries upon the broad business principle of reciprocal concessions. Resolved, that as a step in this direction the National Board of Trade favours the measure now before the United States Senate, authorizing the President to remove the duties on Canadian coal, in return for a similar action by the Dominion of Canada with regard to coal from the United States.

During the year active work was done by the North-Western Reciprocity League in Minnesota, Wisconsin and North and South Dakota. On January 2nd, a representative Executive Committee of this body was appointed from the Cities of Minneapolis, St. Paul and Duluth, and its Chairman, Mr. J. C. Elliel, told the press that they were going to "line up the merchants and jobbers of the North-Western States" in favour of the movement ; bring pressure upon Congressional representatives to declare their views; and block Eastern legislation in Congress until the wants of the West in this respect were granted. On March 5th, 1903, a Committee of the State Legislature discussed certain proposed Resolutions along the lines of Reciprocity through a re-convening of the Joint High Commission or by direct negotiation with Canada.

The Committee was addressed by Mr. W. H. Bingham, Secretary of the New England Reciprocity League. He traced the various efforts made by Canada to obtain better trade relations, and then proceeded : "The situation with respect to our relations with Canada has changed materially within a short time. Upon this side of the line a growth of Reciprocity sentiment has developed which is unparalleled in recent years, and perhaps in our history,

while the spirit of indifference in our Canadian friends to the commercial good-will of the American people has become almost a policy." A little later in the same month, on March 17th, the Hon. John Miller, ex-Governor of North Dakota and Mr. Eugene M. Hay of Minneapolis, an active advocate of the policy, were at Ottawa trying to ascertain the local situation and to study Canadian conditions. They expressed themselves afterwards as very hopeful regarding both the re-assembling of the High Commission and the future of Reciprocity. Speaking at Boston, on Apl. 2nd, Senator Lodge described this movement as really an attack upon the tariff and protection. He did not think Canada wanted Reciprocity as since 1888 the failure of negotiations had all been due to her. On Apl. 9th, Mr. Campbell Shaw, Chairman of Committee in the National Reciprocity League, announced from Buffalo that W. D. Washburn, Jr., of Minneapolis, F. R. Smith, President of the Boston Chamber of Commerce, and the Hon. Eugene N. Foss, of Boston, had joined that body and would work in certain defined territories to forward its objects. In the April *North American Review* Mr. Erastus Wiman returned to his old-time subject and greatly eulogised the recent progress of Canada and its continued loyalty to British union. He did not think Reciprocity probable at present, but thought that an ultimate solution of the relations of the two countries might be found in a North-American Zollverein.

On May 13th, the press of the United States published a report on the existing situation from the pen of Mr. Eugene M. Hay who had recently been at Ottawa and Washington in the interests of the movement. In Canada, he said, the manufacturing and transportation concerns would oppose Reciprocity as would the highly-protected interests of the United States. Ratification by the American Senate would be difficult to obtain. Then he concluded: "The Canadian suggestion is a free interchange of natural products. I feel quite confident, from such information as I have secured from high sources, that by proper effort we can get very material reductions on a large list of the present British Preferential tariff. In addition, I have reason to believe that the Canadian Government will, by additional tariff legislation, discriminate against certain European countries in a way that will be helpful to our commerce." Writing to *American Industries* of June 1st, Mr. E. N. Foss urged the immediate consideration of this question because of the probable higher tariff legislation in Canada if something were not done. "In addition to the embarrassment to commerce, now existing, a most unfortunate effect of our restrictive policy is seen in the removal of so many American manufacturing plants to Canadian soil."

In the Buffalo *Express* of June 18th, and in New York and Boston papers Mr. Campbell Shaw had a communication describing the "overflow of American people, enterprise, and capital into Canada;" the growing desire of their business men for reciprocal

relations; the fact that many newspapers favoured it and very few were opposed; and the existence of five strong branch Leagues in the northern tier of States. Meantime, Mr. Chamberlain's proposals in England were giving an impetus to the Reciprocity discussions in the States and, on July 9th, Mr. S. J. Ritchie had a long letter in the New York *Sun* declaring that the British statesman was a convert in this respect of Sir Charles Tupper's and urging United States action before it was too late. "If Chamberlain's policy succeeds it will cost the United States the free market of Great Britain and a much higher-priced market in Canada. Would it not be wise for the United States, in order to prevent the carrying out of this policy, to make very liberal trade relations with Canada?"

Toward the end of July a circular-letter was issued by the Minnesota branch of the National Reciprocity League, signed by ex-Governor Miller as President. It declared that unless a treaty was soon arranged the Canadian tariff would be raised upon United States manufactures; that $100,000 was needed to properly carry on the campaign and that Minnesota had already spent several thousands in the work; and that "a great market is growing up north of the Great Lakes and the St. Lawrence and we should go after it." At the annual Convention of the Furniture Association of America in New York, on July 24th, Mr. Eugene N. Foss spoke upon this subject. He urged that Canada, "as the largest purchaser of our manufactures on the face of the globe," should be treated fairly by the United States Government; pointed out that in 1902 "we sold Canada $115,000,000 worth of merchandise and bought of her only $45,000,000;" and stated that the average rate of Canadian duties was one-half that of the American tariff. A Resolution was adopted urging the making of a Reciprocity treaty and continuing as follows:

> That it is the sense of this Convention that reciprocal relations, beneficial to both countries, should preferably follow the general lines of the removal by both countries of the duties on some, or all of the natural products of each, and such mutual extensions of the free list and reductions and changes of the duties on the manufactured products of both as will give to each as low a rate of duties as is given to any other country.

Addressing the Western Elevating Association at Buffalo, on Aug. 17th, Mr. Campbell Shaw pointed out, regarding the duty on grains, that "unless the duty is removed this country will lose all of its wheat and barley trade with Canada, as Canada will export these commodities direct to Europe by way of Montreal. Since the Canal tolls have been removed, he said, "the tendency of shippers from the Canadian West has been to send their grains abroad by way of Montreal instead of into the United States." The question was discussed at the Trans-Mississippi Congress, held at Seattle in August and, on Sept. 29th, Mr. E. N. Foss addressed the Maine State Board of Trade at Biddeford and declared that

the United States wanted from Canada its coal, iron, lumber and various other products entering into the complex matter of manufacturing. The Dominion was threatening to go into "an unnatural trade alliance with Great Britain" and the success of New England's industries was being menaced by Canadian policy. The only relief was Reciprocity. The proposal was opposed by the Hon. Albert Clarke. Writing Senator Hoar of Massachusetts, on Sept. 18th, Mr. Campbell Shaw declared that if action was not taken before the United States elections of 1904 the Canadian manufacturers would have strengthened themselves so as to "thoroughly throttle" the sentiment for Reciprocity.

At the Democratic State Convention of Massachusetts on Oct. 1st, the platform adopted included a demand for Reciprocity with Canada as a natural right and as a means of enlarging the commerce of the people. The Grain Dealers' National Association meeting at Minneapolis on Oct. 10th, passed a Resolution in favour of the proposal and, on Oct. 20th, the Detroit Board of Trade urged negotiations along the same line for various reasons. "The growing independence of Canadian industries, the possible adoption of a system of preferential tariffs applicable to all British colonies and dependencies, and the movement for raising the Dominion tariff, especially upon our manufactured goods in case a reciprocity treaty is not negotiated, all give warning of the danger of delay."

Speaking at Bismarck, N.D. on Oct. 21st, Mr. J. J. Hill depicted the duties which the United States producers would have to pay if Mr. Chamberlain succeeded and declared that now was the time to get into line with Great Britain and her Colonies by means of Reciprocity. On Oct. 27th, Mr. Campbell Shaw addressed an open letter to Senator Fairbanks urging free trade with Canada in natural products. At Boston on Oct. 31st, Senator Lodge declared that now the Alaskan Boundary dispute was settled the field was open to discuss Reciprocity and at Fitchburg, Mass., on Nov. 5th, Mr. Charles Emory Smith, late Postmaster-General, urged Canada not to accept Mr. Chamberlain's entangling policy and Imperial obligations but to rather accept Reciprocity and the protection of the Monroe Doctrine.

An inter-State organization was formed at Chicago on Nov. 14th for the promotion of this project, with seven States represented. In Congress, during the year, the Democratic party made distinct advances along the line of Reciprocity and on Nov. 28th, Mr. J. S. Williams, the party leader, who had already introduced a Resolution urging "more amicable, freer, and untrammelled trade relations with Canada," declared in the House that all New England was in favour of the policy and that it was "the only way to break down Chamberlain's propaganda." At Detroit, on Dec. 18th, the Michigan Live-Stock Breeders' Association passed a Resolution protesting against Reciprocity as an injury to United States agriculture and to all the industries dependent upon agriculture.

Congressman J. S. Williams and the Hon. C. S. Hamlin were speakers at the Massachusetts Free Trade League dinner at Boston on Dec. 21st and the latter urged a policy of complete free trade, or an approximation to it, with Canada.

The Hudson's Bay and kindred Questions

Several subjects of discussion in the relations of Canada and the United States were given an impulse from the Alaskan Boundary matter. One of them was the question of absolute or partial Canadian jurisdiction in Hudson's Bay. The Canadian public had never supposed there was such a question and no one would have thought of it at this time except for the fear that United States fishing in those waters might lead to United States claims. To this danger the Hon. David Mills had drawn the attention of the House of Commons in 1894 but other events had crowded it out of consideration. Then came Mr. W. F. Maclean's proposal in the House on May 12th, 1903, that the name of the waters in question should be changed to the "Canadian Sea." His object, he explained, was to assert Canadian supremacy over a water area five times as large as all the Great Lakes and over half a million square miles in extent. Already, he said, our enterprising rivals to the south had been setting up pretensions there as they had in the Yukon. Nothing came of the suggestion except to draw some attention to the necessity of action and to the fact that the Government were preparing to assert Canada's position.

On Aug. 23rd, it was announced that the steamer *Neptune*, which had been purchased by the Dominion for the purpose, had sailed from Halifax under charge of Mr. A. P. Low and with the object of conducting an investigation into the geological, botanical and natural history of the region. It was understood, also, that the duty of formally proclaiming British sovereignty over certain territories and of reporting upon alleged smuggling and American whaling operations in its waters would be carried out. A body of North-West Mounted Police, commanded by Major Moodie, accompanied the expedition which, it was stated, would be absent a year and a half. Following this incident a Newfoundland writer and correspondent—presumably Mr. P. T. McGrath of the St. John's *Herald*—kept various despatches and letters going in United States and Canadian papers as to the international "question" which had arisen in Hudson's Bay; the profitable character of the whale fisheries and their monopoly by United States fishermen; the complicated nature of the diplomatic and general problem; and other details of which Canadians as a people had never before heard. Various American papers met the issue promptly by saying that if there were one it should be submitted to arbitration.

In the Canadian Senate on Oct. 20th, Mr. Paschal Poirier drew attention to the United States encroachments in this direction and to the desirability of heading them off by a Canadian expedition to the Pole. He also urged the acquisition of Greenland from Denmark and the union of Newfoundland with Canada. On

Nov. 6th, the London *Times* dealt at length with the value of Hudson's Bay to Canada as a new route for the transportation of its grain, paper, mineral, timber and fur wealth. Speaking at a University banquet in Toronto on Dec. 17th, Mr. A. B. Aylesworth urged attention to the ownership of Labrador and of Greenland and the possibility of trouble in Hudson's Bay; while in the December number of the *North American Review* Mr. P. T. McGrath had an article on this "new Anglo-American dispute." He pointed to the great marine wealth of the Bay; to its whales worth from $12,000 to $20,000 apiece; and to the fact that American fishermen had for years been clearing an average of $27,430 per voyage of one vessel. He dealt with all the other great resources of the region and its surrounding land wealth as well as with its importance to Canada from every standpoint. The spirit shown in some Canadian quarters at this time is illustrated by the Toronto *Star's* demand (Dec. 18th) that the "American poachers" should at once be driven from the Bay—where they had been fishing undisturbed for sixty years.

On Oct. 25th, the Halifax *Chronicle* urged the acquisition of Greenland and the promulgation of a Canadian "Doctrine" analogous to that of Monroe. This idea received quite a popular impetus from an alleged statement by Senator Lodge in favour of the United States purchase of St. Pierre and Miquelon Islands from France. It was denied by him on Dec. 9th, but had, meanwhile, been the cause of various aggressive Canadian editorials and of some talk in Montreal and elsewhere of Canada purchasing the Islands in question. On Dec. 21st Lord Strathcona told an interviewer in London that the purchase of Greenland was quite outside the range of present practical politics. A number of newspapers commented on the idea of a Canadian Monroe Doctrine; of "hands off" to Foreign powers as to any outlying territory in the vicinity of the Dominion; and the following from the Quebec *Chronicle* of Dec. 2nd regarding the two French Islands and Greenland may be taken as indicative of the character of a few of them:

> We cannot, of course, pretend to dictate to France and Denmark as to when they shall part with their possessions, or on what terms, but we can and do say that the purchaser must be prepared to defend his purchase by force of arms, and that the acquisition of any such territory or portion of it constitutes a *casus belli* which cannot be removed by diplomacy. That is our answer to the filibusters of the United States, and our Government should lose no time in presenting our determination to the Imperial Government with the alternative of separation from the Empire if it refuses to back us up.

The United States Idea of Annexation

This United States policy for Canada continued to be discussed from time to time during 1903 despite the very accurate description of feeling in the latter country by Mr. Neil Munro in one of his English press letters: "The ideal of Goldwin Smith is as dead as a stuffed dog." Early in the year Congressman D. A. DeArmond of Mis-

souri introduced a measure into the House looking to the "cession of all or part of Canada" by Great Britain to the United States. Interviewed on Feb. 27th this gentleman thought that in a reasonable time "the Dominion might be divided into States and its people made into proud citizens of the Republic." Very few Canadian papers even alluded to the Resolution, which was quietly disposed of, but the Halifax *Herald* suggested that the Governor-General of Canada might endeavour to ascertain from Mr. J. Pierpont Morgan upon what terms, if any, he would agree to cede the United States to Canada! The New York *Sun* of Mch. 31st declared the maintenance of Canada as a separate country in the north to be an "anachronism;" the New York *Journal* (Congressman Hearst's paper) about the same time expressed the polite opinion that Canada would eventually come into the union—"when we want her." Meantime, "she is, so to speak, keeping herself for us in Colonial cold storage." A more important utterance was that of President J. G. Schurman of Cornell University on June 20th:

> I cannot believe that Mr. Chamberlain's plan for the fiscal and political unification of the British Empire will command the assent of Canada; and, if Canada declines to aid in bearing the military and financial responsibilities of the British Isles, if she finally decides to hold aloof, if she concludes to throw in her lot formally and actually with this continent; it will not be long before the Stars and Stripes are waving over the whole of North America.

Speaking at an Epworth League demonstration in Detroit on July 16th, Mr. N. W. Rowell, K.C., of Toronto told the gathering that there was absolutely no annexation sentiment in Canada and "the cherishing of such an idea on this side of the line can only tend to prejudice amicable relations." In the *North American Review* for October, Mr. F. B. Tracy had an article tracing the "inevitable" destiny of Canada—"a country which could not continue to be a half-free, half-slave, half-nation and half-subject colony" but which would, after an interval of independence, become a part of the United States. Speaking at a banquet in Chicago on Oct. 10th, Governor Van Sant of Minnesota, referred to the overflow of Americans into the Canadian North-West and then urged that every United States action toward Canada should in future be of the most friendly character: "Who knows but the inauguration of so wise a policy, together with the peaceful invasion of Canada by the American farmer, may not bring about a consummation devoutly to be wished, with universal amity, and the Stars and Stripes be found floating over all from the Gulf of Mexico to the Arctic Circle." Writing from Cobourg to the Toronto *World,* on Oct. 29th, Capt. Algernon Sartoris, late of the United States Army, urged annexation as a great benefit to the English-speaking peoples; while the Worcester (Mass.) *Post* of Nov. 27th dealt at length with the American invasion of the West and its hopeful "honeycombing" of the Dominion with United

States sentiments and ideas. In the American Congress on Nov. 23rd, Senator Hale of Maine made the following remarks:

> I have little doubt that men now listening to me will see the time when Canada will become an integral part of the United States. If the plan of the most adventurous of British politicians for a Colonial preference is carried out, a tariff war would be inaugurated between Great Britain and the United States and this English politician will seek to set Canada up as a great rival to us—an agricultural rival. Out of that will arise conditions, discussions and considerations that will end in the union of the two peoples.

In Boston, the *Evening Record* of Nov. 9th had at the head of its editorial column a paragraph kept there more or less permanently and describing the greatest duty of the Republic: "The thought of every public man, year in and year out, should be directed to this, our greatest national, economic, political and military safety, the Acquisition of Canada." On Dec. 22nd, the Hon. George W. Ross, Premier of Ontario, was the chief speaker at a great function in the University of Chicago. He dealt in most eloquent terms with the causes which had led to the national cleavage in North America; traced historically the diverse developments which had followed and which he believed would be permanent in their separate significance; and dealt briefly with the Chamberlain policy and the general progress of Canada. Meanwhile, the United States press had been dealing with the Annexation "question" from time to time. The Chicago *Tribune,* the St. Louis *Globe-Democrat,* the Chicago *Post,* the Boston *Advertiser,* the Los Angeles *Record,* the Boston *Post* and the Buffalo *Express* were amongst those which seriously considered and commented upon its manifest certainty. Canadian opinion can hardly be quoted as the subject was not thought worthy of discussion except in a most fragmentary or incidental way.

Mr. Carnegie and Canadian Affairs

This gentleman's utterances and gifts during the year compelled considerable attention from Canadians. Some thirty cities or towns had availed themselves up to this time* of his willingness to contribute funds for the building of Public Libraries and had applied for a small portion of his surplus millions. On Jan. 27th, it was announced in the press of Toronto that the Public Library Board there had received a notification from Mr. Carnegie that he was prepared to pay $350,000 for the building of a Central Public Library and two Branch Libraries, with the usual stipulations. No statement was made, nor did it ever appear publicly, as to who had broached the matter to him and originated the offer.

There was a good deal of discussion regarding its acceptance. Dr. James Bain, the Librarian, Messrs. R. J. Fleming, R. T. Coady, J. L. Hughes, C. C. James, E. F. Clarke, M.P., B. E. Walker, T. C. Patteson, President Loudon, the Hon. R. Harcourt,

* NOTE—For details see *The Canadian Annual Review*, 1902, page 514.

and many other prominent citizens, favoured its being accepted. A very few opposed it publicly. Mr. E. B. Osler, M.P. and the Toronto District Labour Council, by Resolution (Feb. 6th) did so. The *Globe* of Feb. 13th, favoured it and the Library Board urged its acceptance; while Mr. Samuel Gompers, President of the American Federation of Labour, wrote from Chicago advising the workingmen not to oppose the gift. On Feb. 23rd, it was accepted by the City Council.

Montreal, during 1902, had accepted a $150,000 donation but grave difficulties arose over the question of language. One element had claimed it should be a French Library; another wanted it to be an English one. Others wanted to effect a compromise. Archbishop Bruchési was inclined (Jan. 25th) to oppose its acceptance altogether. "When the community's requirements demand a great public library the city will be too rich and too proud to ask an American millionaire to furnish one." The vote accepting it was considered and reconsidered several times in the Council. In Ottawa, on June 1st, a motion to decline Mr. Carnegie's gift to that city, in view of his recent speeches, was defeated and on July 4th, Mr. W. Wilfred Campbell wrote to the local press a pronounced eulogy of the man, his career, and his generous character. The Carnegie Library at Chatham was opened on Sept. 14th; the City of Stratford was offered $5,000 through private correspondence, on Sept. 25th; the Carnegie Library at Windsor was opened on Oct. 16th; the corner-stone of the new Brockville Public Library was laid on Oct. 28th and that of Winnipeg on Nov. 3rd.

Meanwhile, Mr. Carnegie had been contributing various speeches and interviews to the current discussion of Canada's position and future. On May 9th, the *Ironmonger,* the organ of the British metal trades, published an interview with him which included the following remarks: "Canada has no future except as part of the United States. Her native population increases more slowly than that of Scotland. She has only added 536,000 to her people in ten years and, of these, 440,000 have come from abroad. Canada can never, standing alone, become a great industrial nation. Her steel industry? A figment. She hasn't made much steel yet, and that only under a bounty of seven dollars a ton. Cape Breton? A mirage. Nothing there need ever trouble the United States." This statement aroused a good deal of comment in Canada and the Mayor of Sydney, N.S., threatened to return the gift of $15,000 which they had accepted. He was placated by an "apology" which regretted the offence taken at the word "mirage," wished success to the local efforts at development, and declared that "my wish is to restore the union of North America and Great Britain."

Writing to the Toronto *Globe* (June 14th) Mr. Carnegie in a rather vague way deprecated the correctness of the *Ironmonger* interview and the latter paper on July 11th stood by every word

of the record and published a note from Mr. Carnegie indicating that it was "another interview" to which he had referred in the *Globe*. In the *Daily News* of May 18th, he repeated his views regarding the weakness, detachment and comparative helplessness of the Empire as compared with the United States. As to Canada, "her only chance of a future is to throw in her lot with the Americans." In the *Times* of July 25th, and of Aug. 23rd and 24th Mr. Carnegie dealt with the probable action of the United States toward Canada and Great Britain in case of the realization of Mr. Chamberlain's policy. On the latter date he wrote as follows:

> I mention the withdrawal of the bonding privilege to Canada as the easiest counter stroke at hand, because the President has power to act, and it could cease the same day a preferential tax by Britain against American products came into operation. Should Congress be in Session at the time, however, it might prefer to meet the British attack by a surcharge upon British products entering America, preference for preference, as bounty-fed sugar was met. Perhaps, both measures would be taken, or it might be considered historically appropriate to re-enact the duty upon British ships in American ports which proved so efficacious in terminating British Colonial preferential tariffs in 1825 and secured the equal treatment for the Republic, which she has ever since enjoyed and which, as I think, she is not likely to surrender without a struggle.

United States Influence upon Canadian Labour

This influence was a very marked incident of the year's Labour disputes. Early in that period occurred the trouble in Mr. Dunsmuir's coal mines on Vancouver Island and his lock-out of the men because they were determined to retain or obtain membership in a United States Labour organization. Speaking on Mch. 15th, the late Premier of the Province said: "I will never recognize the Western Federation of Miners. Rather than do that I shall keep the mines closed for years." In connection with the Crow's Nest coal mine strike at this time there was a general impression that this same United States organization was a prime factor in the disturbance. Speaking to the Toronto *Star* correspondent at Montreal, on Mch. 17th, Mr. J. L. Retallack, President of the British Columbia Lead Miners' Association, gave the following account of the matter:

> The men working in the Crow's Nest districts, all of whom belonged to local unions, were induced to affiliate with the Western Union of Miners which has its head office in the United States. The men before the affiliation had not expressed any dissatisfaction with the wages or treatment they were receiving, but it was only a short time after they had joined the American union that they were ordered out. To say the least, from a perfectly disinterested point of view, such action looked peculiar. More careful investigation has resulted in the belief in best informed circles that the strike was caused by the operators of the local mines in the Western States, who, after the United States Government had removed the duty on coal, were greatly opposed to the rapid headway that was being made in the coal districts of British Columbia.

On April 21st, the Executive Council of the American Federation of Labour held its annual meeting in Toronto. On the follow-

ing day they were banqueted by the City and President Samuel Gompers, in speaking for the visiting organization, declared that "geographical boundaries might separate the workingmen of the United States and Canada but in sentiment, in purpose, and in principle, they were one." During the Longshoremen's strike in Montreal, Mr. Gompers appeared in that city on Apl. 29th and addressed an immense gathering of workingmen at Sohmer Park on the following day. At the annual Session of the International Typographical Union held in Washington, on Aug. 15th, it was decided to recommend the subordinate unions in Canada to affiliate with the Dominion Trades and Labour Congress and to authorize its own Executive Council to work out a plan for organizing the rural districts throughout the United States and Canada, for enrolling unattached printers outside of union towns, and for appointing a permanent travelling organizer in both countries. In the Labour troubles on Vancouver Island, already referred to, the Western Federation of Miners took a leading part and from Denver, Colorado, dictated action and local organization with a view to tying up the coal production of the Island and thus defeating Mr. Dunsmuir's determination to have no alien organizations in his mines. The United Brotherhood of Railway Engineers took similar action regarding the strike on the Canadian Pacific Railway. Both these Societies were affiliated with the American Federation of Labour and, of their influence in Canada, the British Columbia Labour Commission reported on July 10th, after exhaustive inquiry into these troubles, as follows:

> It is obviously against the public interest that any body of Canadian workmen should be subject to be called out on strike by a foreign authority over whom neither our Legislatures nor Courts can exercise any control, and that whether they have any grievances against their employers or not. Whether the wheels of Canadian industry shall run or shall rust ought not to depend upon the decrees of a secret council at Denver. With regard to these organizations we think they ought to be specially declared to be illegal, as their leaders have shown that they care nothing about the interests of their employers, against whom they are every day fomenting discontent; that they ignore the constitution and rules of their own organizations whenever it suits them to do so; that they at all times preach the doctrine of confiscation of property without compensation and that society is divided into two classes, the toilers and the spoilers; that they justify the use of the boycott and the sympathetic strike; that they do not disapprove of violence and intimidation; that they recklessly allow suffering and privation to befall the families of their misguided followers, with regard to whom they are constantly guilty of deception and concealment.

Meanwhile, the Hon. J. A. Lougheed had presented a measure to the Senate intended to keep the foreign Labour agitator out of Canada. He did not wish to interfere with organized labour, he declared, further than to prevent the alien stirring up of strife amongst workingmen. On Apl. 29th it received a second reading and was endorsed by Senators Gibson, Macdonald and McMullen. In its terms the measure made the incitement or encourage-

ment of workingmen to abandon their employment, or to strike for any purpose whatever, a criminal offence on the part of any person not a British subject. On May 27th, La Chambre de Commerce of Montreal approved unanimously of this proposed legislation and, on June 4th, a conference was held at Ottawa between representatives of the Manufacturers' Association and various Boards of Trade and Labour organizations, and the Senate Committee which had the measure in hand.

Mr. Harvey Hall, speaking for the railway unions, declared that Canadians benefitted greatly in this connection. They had $2,000,000 of money in the International Order of Conductors out of $47,000,000 and 2,000 members out of 30,000. Mr. C. H. Ritchie, K.C., claimed that the legislation was aimed at the "walking delegate" who stirred up so much mischief and yet was quite irresponsible to any Canadian interest or power; and Mr. G. H. Watson, K.C., pointed out that the International unions were not amenable to Canadian Courts of law. Mr. R. Reford of Montreal urged the incorporation of unions and stated that, as an employer, he had never had any trouble with his men until this year when it was fomented by agitators from the States. Mr. D. J. O'Donoghue denied this charge and declared that Canadian unions were supreme in Canada and were always consulted as to strikes. A week later the Senate Committee was addressed by leading Labour men on the subject. The Bill passed the Senate on July 22nd, after opposing speeches from the Hon. Messrs. Sullivan, Ellis, Coffey and McHugh. The division was 38 to 13. No action was taken in the House of Commons.

The American Migration into Canada

The many thousand immigrants pouring into Western Canada during 1903 created considerable comment from the national point of view. The difficulty of a few scattered British settlers assimilating the mass of alien material was the subject of an article in the London *Daily Mail* at the beginning of the year. It was elaborately dealt with by Mr. Charles Hanbury-Williams, in the *Monthly Review* for April, who described these American settlements as "garrisons flying the Stars and Stripes." He urged more British emigration to the West and seemed to fear, not so much Annexation, as "a sentiment to which the idea of Imperial unity is, if not actually repugnant, most certainly non-essential." In the Brooklyn *Eagle* of June 21st appeared an elaborate study of the situation. Mr. George H. Ham of the Canadian Pacific Railway was interviewed in the article and declared that these settlers from the States were of the best type; expressed the belief that gradual assimilation would take place as with Canadians in the States; and claimed that their children, at any rate, would grow up strongly Canadian.

The special correspondent of the Toronto *Globe* writing from Yorkton on Apl. 15th described the American "invasion" as second in point of interest and importance to the British move-

ment into the West. On June 14th he pointed out from Red Deer, that of eight papers published along this 200 miles of railway, five were edited by former American journalists. But they did not appear to formulate ideas different from those of other Canadian papers. According to a long despatch from Winnipeg in the Toronto *Mail and Empire* of July 18th there was a great celebration of the 4th of July by American residents of that city, and much flying of their flag in speech and parade. This was described as perhaps significant in the premises.

United States opinion of this development was varied. The Detroit *Journal* viewed this Northern region as the "greatest oyster remaining in the world barring Russia" and urged Americans to crowd in and partake of the meat beneath the shell. The New York *Post* thought that some of their farmers could be spared to "Americanize" the grassy plains of Canada. The Brooklyn *Eagle* described the greater part of the Dominion as "a narrow fringe of territory hanging on to the boundary of the United States"; thought the time could not be far distant when the West would control the country; believed the Dominion to be pretty well Americanized now; and looked forward to an easy, simplified union in the future. The Albany *Press-Knickerbocker* considered that it would be better policy to keep United States farmers at home than to prate about annexation; while the Louisville *Courier-Journal* thought that whenever the "question of annexation became prominent" this element would be heard from but that, in the meantime, a formidable rival in agricultural exports was being created.

INCIDENTS IN INTERNATIONAL RELATIONSHIP

Jan. 24.—Lord Lansdowne tells a deputation that the Government had protested against the United States and Cuba Reciprocity Treaty as involving discrimination in sugar against the British West Indies. Mr. Hay, however, had intimated that the United States were within their rights and did not intend to modify the measure.

Jan. 26.—An Order-in-Council is passed at Ottawa "providing for the transportation of goods or the towing of goods in Canadian vessels from one Canadian port to another, notwithstanding that for part of the distance it may be necessary to go through American waters."

Jan. 30.—President Loudon of Toronto University speaks at a banquet of its graduates in New York.

Jan. 31.—The Guelph *Herald* writes approvingly of the recent local cancellation of an American play which indulged in brutal and insulting references to the British soldier.

Feb. 1.—An elaborate article by Captain A. T. Mahan upon the Monroe Doctrine appears in the *National Review*.

Feb. 2.—The United States House of Representatives passes Mr. J. A. Tawney's Bill authorizing a resumption of negotiations with Great Britain for the preservation of the Alaskan fur seals and giving the Secretary of the Treasury power—if a *modus vivendi* is not concluded—to practically exterminate the herd on the Pribyloff Islands. It afterwards fails to pass the Senate.

Mch. 1.—Mr. J. Cleland Hamilton, M.A., of Toronto, has an article in the *Canadian Law Review* dealing with the Monroe Doctrine.

Mch. 5.—The King confers a G.C.M.G. upon the Right Hon. Sir M. H. Herbert, K.C.M.G., C.B., British Ambassador to the United States.

Mch. 11.—A Canadian Chamber of Commerce is organized in Paris with Mr. C. E. Carbonneau as President.

Mch. 19.—Major A. W. Edwards of Fargo, N.D., succeeds Major Bittinger as United States Consul-General at Montreal.

Mch. 25.—The decision of the United States Board of General Appraisers states that the regulations in Quebec as to cutting timber on Crown Lands amount to an export duty of 25 cents a cord and that an extra United States duty of that amount may, therefore, be levied upon wood-pulp manufactured in Quebec.

Apl. 1.—Amongst the Canadians attending the fifth annual Convention of the National Metal Trades Association at Buffalo, N.Y., are Messrs. F. B. Polson, J. O. Thorn, C. F. Wheaton, W. R. Perrin, R. J. White, G. W. Watts, and E. B. Patterson.

Apl. 24.—The British Royal Commission regarding the St. Louis Exposition is appointed by the King, with H. R. H. the Prince of Wales as President; Lord Peel as Chairman; and the Earl of Jersey, Earl Howe, Lord Alverstone, Lord Avebury, Sir E. J. Poynter, P.R.A., Sir C. Rivers Wilson, and many others, as members.

May 18.—The Rev. Dr. R. S. MacArthur, speaking in New York, declares that "no flag in the world is so fair to men of all colours and all faiths as is the British flag."

May 19.—In an interview at Ottawa the Hon. S. A. Fisher, Minister of Agriculture, describes his recent visit to Japan as Commissioner at the Osaka Exhibition; eulogizes the treatment accorded him by officials and people alike; speaks of his presentation to the Emperor and Empress; and describes the prospects of a growing trade as excellent. "Japan shows a decided leaning towards Canada."

May 25.—At a banquet given to the British Ambassador in New York, Sir Michael Herbert declares that his work is a labour of love. "I have one dream, one purpose—to draw closer, if I can, the relations between my own country and this." Mr. Elihu Root, Secretary of War, declares that war between England and the United States would be a crime and would argue incapacity as well. "England is our true friend."

May 26.—Mr. D. A. Carey, returning to Toronto from the meeting of the Convention of the American Federation of Machinists at Indianapolis, describes the position to which he was elected and states that branches of this organization of 30,000 men had been founded in 7 Canadian centres with 4 more on the way.

May 31.—A British flag hanging out of a window in Philadelphia causes a small riot. It is hauled down by an excited mob and the life of the owner of the house is threatened.

June 10.—The Windsor *Record* protests against the large circulation in Canada of United States stories of an anti-British character and relating to the Revolution or the War of 1812.

June 15.—The Ottawa *Citizen* protests against the announced United States intention of spending $300,000 upon preliminary fortifications at Oswego, N.Y.

June 17.—The resignation of Colonel Charles E. Turner, United States Consul at Ottawa, is announced. He is succeeded by Mr. J. L. Foster of Vermont and lately Consul at Halifax.

June 19.—Mr. Chauncey M. Depew of New York in a speech at the Pilgrim Club, London, describes Canada as "the spoiled child of the Empire in the North." He is criticized by Sir Gilbert Parker, M.P., for his lack of courtesy.

June 24.—At the Commencement Exercises of Yale University six Canadians receive degrees.

July 3.—A good deal of talk is aroused by the seizure of the United States tug *Kitty D.* of Dunkirk, N.Y., by the Canadian Government cutter *Petrel* for poaching in Canadian lake waters.

July 4.—The United States Consul at Yarmouth, N.S., gets up a demonstration which arouses some resentment amongst citizens.

July 4.—The Dawson *News* celebrates the day by a special United States number and a description of the City as a cosmopolitan centre.

July 8.—A banquet is given at Halifax to United States Consul-General Foster upon his leaving to assume a similar position at Ottawa.

July 9.—It is stated in the *Canadian Baptist* that all the Maritime Province students at the Newton Theological Seminary in the United States intend to accept pastorates in that country—at a time when many Canadian churches are without pastors.

July 13.—The shooting for the Palma Trophy at Bisley, England, results in a United States victory over British, Canadian, Australian and other teams.

July 16.—A cablegram from London states that the Pilgrim Club proposes to erect a statue to Washington in London and that the authorities of St. Paul's Cathedral have offered space for it. The Daughters of the Empire in Toronto send a strong protest on July 31st and others follow. A letter from the Colonial Office on Sept. 12th intimates that there is nothing in the rumours.

July 20.—A Winnipeg audience shows itself tired of the Stars and Stripes in Canadian theatres by hooting and hissing its appearance.

July 22.—The Judicial Committee of the Privy Council grants special leave to the United States Government to appeal in the Gaynor-Greene extradition case, against the judgment of Mr. Justice Caron, under which the two men had been released from custody.

Aug. 2.—The Seawanhaka Cup, the small boat trophy of the world, is held for the ninth consecutive time by the Royal St. Lawrence Yacht Club against the Manchester (Mass.) Yacht Club—*Thorella* beating *Kolutoo* in the third and final race.

Aug. 2.—Three Ottawa military organizations under command of Lieut.-Col. A. L. Jarvis—500 strong—pay a friendly visit to Plattsburg, N.Y.

Aug. 2.—Sir Thomas Lipton, on his way to the America Cup race, visits Niagara-on-the-Lake and is welcomed by a deputation of the Royal Canadian Yacht Club.

Aug. 6.—Dr. Oronhyatekha and the Foresters of Toronto receive a visit from the Detroit Encampment of the Royal Foresters.

Aug. 7.—It is stated that the Canadian and American canners on the Pacific coast have come to an agreement by which neither will buy fish in each other's market.

Aug. 12.—Reports of a sensational character state that the Canadian Government cutter *Petrel* had fired upon and injured the United States tug *Silver Spray.* It is said to have been a necessary action to prevent determined and continued poaching in Canadian waters. In his report to the Department on Aug. 20th, Capt. Dunn records it as a very ordinary incident.

Aug. 13.—*Irondequoit* beats *Strathcona* by a third race out of five for the Canada Cup and the trophy goes from the Royal Canadian Yacht Club of Toronto to the Rochester, N.Y., Yacht Club.

Aug. 20.—The 65th Regiment of the National Guards from Buffalo, N.Y., visits Hamilton and is accorded an enthusiastic reception.

Aug. 27-28—The Washington State Press Association meets at Victoria. The following British Columbia journalists are elected Hon. members: Messrs. D. W. Higgins, D. B. Bogle, John Nelson, A. G. Sargison, C. A. Gregg, R. Dunn, Gordon Smith and Senator Templeman.

Aug. 28.—The *Globe* reports the signature at Ottawa of a contract with Columbier Brothers for a steamship service between Bordeaux and Canada; a subsidy of $100,000 per annum and four steamers making 18 trips.

Sept. 10.—The British Government protests against the recent seizure by the United States gunboat *Quiros* of certain islands off the coast of Borneo. They are said to be British territory and eventually the United States Government acknowledges its mistake.

Sept. 28.—At Fernie, B.C., a Canadian named Fitzgerald almost kills an American miner named Milne for slandering the King.

Sept. 30.—The death of Sir M. H. Herbert, G.C.M.G., British Ambassador to the United States, takes place amidst wide expressions of regret.

Oct. 2.—The Honourable Artillery Company of London visits Boston and the flag of England is carried through the streets of that city guarded by British muskets and flies over Bunker's Hill monument in their honour.

Oct. 8.—The National Prison Congress meeting at Louisville elects Lieut.-Col. A. G. Irvine of Manitoba, a Vice-President and Dr. J. T. Gilmour of Toronto, President of the Wardens' Association.

Oct. 14.—The Treaty of Arbitration between France and Great Britain is signed in London by the Marquess of Lansdowne and M. Cambon, French Ambassador.

Oct. 23.—Mr. Douglas Sladen, traveller and author, suggests in the London *Post* that Great Britain should exchange the Bahamas for American concessions to Canada in the Yukon.

Oct. 27.—The Peterborough *Times* suggests the cession of Bermuda to the United States in return for a re-arrangement of the Alaskan Boundary.

Oct. 28.—As a result of the judgment given by Judge Hodgins in Toronto the *Kittie D.* fishing tug is released by the Dominion Government.

Nov. 3.—The "Republic of Panama," under protection of a United States gunboat, proclaims its independence of Colombia.

Nov. 6.—The constant appearance of United States flags in Canadian theatres results in another hostile reception—this time at Vancouver, B.C. Three days later a similar incident occurs at Ottawa, and another on Nov. 11th in Montreal.

Nov. 12.—Congress receives the Report of a Naval Board as to the best sites for a naval station on the great lakes.

Nov. 12.—Mr. Thomas Hodgins, M.A., K.C., addresses the U. E. Loyalists' Association of Toronto upon the losses Canada has experienced from British diplomatic ignorance.

Nov. 16.—The Appeal by the Republic of Colombia to the United States Senate for redress in the matter of the Republic of Panama is made public.

Nov. 16.—A Washington despatch to the New York *Herald* urges the abrogation of the Rush-Bagot arrangement of 1817 regarding armed vessels on the great lakes and states that a United States naval training station is to be located at Lake Bluff, 32 miles north of Chicago.

Nov. 18.—Mr. John Hay, United States Secretary of State, and Mr. P. Bunau-Varilla, the Minister from Panama, sign a treaty at Washington providing for the construction of the Panama Canal by the United States.

Nov. 19.—Mr. Roderick Campbell, F.R.C.S., tells the *Canadian Gazette* that Commander Peary, U.S.N., in his recent explorations, has named a number of northern places as follows: Buchanan Bay and Straits, Cape Washington, Lincoln Bay, Grant Land, McKinley Sea, Roosevelt Range, Cape Bryant, etc. He wants to know if there is not danger in all this to the territorial rights of Canada and Britain.

Nov. 1.—Alderman Plouffe is expelled from the Ottawa Grocers' Association because of a recent speech in New York wherein he favoured the union of the two countries.

Dec. 1.—Concerning the projected United States naval training station on Lake Michigan the New York *Press* deals with expected

"dramatics" from Canada and concludes with this interesting comment: "The most feasible plan would appear to be to negotiate with London and ignore Ottawa entirely."

Dec. 2.—Sir H. Mortimer Durand, the new British Ambassador to the United States, is received by the President and states King Edward's earnest desire for friendly relations. In reply Mr. Roosevelt speaks as follows: "It is fitting that this should be, and, mindful of the aspirations for progress along the paths of peace, and sharing a reverential trust in the Almighty will that guides our destinies, our two nations and peoples through their ministering agencies should strive to reach a harmonious accord upon all that affects their common interests."

Dec. 3.—A gathering is held at the residence of the Hon. J. W. Foster, in Washington, for the purpose of organizing a movement in favour of an Arbitration Treaty with Great Britain. Among those present are Admiral Dewey, General Nelson A. Miles, Hon. Wayne McVeagh and Thomas Nelson Page.

Dec. 3.—A Canadian Club is organized at Akron, Ohio.

Dec. 4.—The London *Times* publishes a survey of the Relations of Canada to the United States from the pen of Mr. R. E. Gosnell, of Victoria, B.C.

Dec. 4.—After considerable discussion at two meetings the Victoria Board of Trade passes the following Resolutions by 48 to 16 votes: "Whereas, we have reason to believe that powerful influence, alien in sympathy and character, is being brought to bear upon the Imperial and Dominion Governments to secure the abolishment of pelagic sealing under the British flag; And whereas the sealing industry being of great importance as a source of revenue to the City of Victoria, its abolishment would prove a serious blow to the business interests of this community; Be it therefore resolved that we do hereby urge upon the Imperial, Dominion and Provincial Governments, the great necessity of fostering, safeguarding and perpetuating the sealing industry and that this Board most earnestly protests against consideration being given to any proposal whatever that shall tend to the abolishment of the rights of pelagic sealing to British subjects."

Dec. 4.—The Canadian press very freely denounces United States action in connection with the treatment of the Republic of Colombia by the United States and the following from a Toronto *Globe* editorial voices public sentiment: "The course of national demoralization, when it sets in, is often rapid; the down grade is easily travelled. The manner in which the United States has treated the Republic of Colombia with regard to the Isthmus of Panama has startled many of her best citizens, and evoked protests as high-minded as any that history can furnish. There are two sides to the question, of course, but one side is very clearly that of right, while the other is that of expediency."

Dec. 10.—A force of 700 United States marines and blue-jackets occupy Guantanamo, Cuba, as a naval station of the United States.

Dec. 16.—By a vote of 57 to 18 the United States approves the Reciprocity Treaty with Cuba.

Dec. 24.—The Toronto *Globe* writes as follows of the Rush-Bagot arrangement: "It is hard to realize how much we owe to the Treaty which prevents the building or maintaining of armed vessels on the Lakes. We have had many outbreaks of jingoism in which, were it not for that Treaty, the man who opposed in either country the construction of costly inland warships would have risked his personal safety."

Dec. 25.—An Arbitration Treaty is signed at Paris between France and Italy.

Dec. 31.—The new American Breeders' Association, meeting at St. Louis, elects the Hon. John Dryden, Ontario Minister of Agriculture, as Chairman of the Animal Section.

V.—THE MILITIA OF CANADA

Record of the Militia during the Year

At the annual dinner of the Sergeants' Mess of the Queen's Own Rifles in Toronto, on Mch 27th, Sir Frederick Borden was the chief guest. After describing his sole object as Minister of Militia to be the proper equipment of Canada's soldiers, he continued as follows: "My idea as to the proper method of securing an effective defensive force is, first, to have educated and brainy officers who will serve as a nucleus; second, an abundant supply of rifles, rifle ranges and cartridges. With a strong force of officers who know their business and a population having every possible opportunity to perfect themselves in rifle-shooting we would have a defending force that would be amply sufficient for any occasion that might arise."

On the following day new Militia regulations regarding the appointment of officers to the Permanent Corps were made public. Candidates were to have diplomas of graduation from the Royal Military College and be recommended by its Commandant; to attend at least one annual training as a commissioned officer of Militia and be recommended by the Commanding Officer; and to obtain within 18 months after appointment a first-class long course "A" certificate. At the annual meeting of the Dominion Rifle Association at Ottawa, on Apl. 1st, speeches were made by His Excellency the Governor-General, Sir F. W. Borden and Lord Dundonald. Lord Minto expressed his belief that the military feeling in Canada was growing, emphasized the need of sound practical shooting, and heartily endorsed the training of schoolboys in the use of the rifle. Lieut.-Col. the Hon. J. M. Gibson, A.D.C., was re-elected President.

In connection with the Longshoremen's strike at Montreal Lieut.-Col. W. D. Gordon, D.O.C., issued, on May 12th, an expression of his "high appreciation" of the promptness in service, efficiency, soldierly conduct and self-sacrifice of the men who had turned out to maintain the peace. It was estimated in the local press that the difference between the military pay of the men and their civil wages would involve a total loss of $30,000 for the period of service. Camps of Instruction in the Militia were held during the year at London, Niagara-on-the-Lake, Kingston, Three Rivers, Sussex, Deseronto, and Winnipeg—the last three being Artillery. The following were the dates and Divisions and Brigade Commanders of the more important Camps:

LONDON	*9th to 20th of June.*
Divisional Commander	Lieut.-Col. J. Peters, A.D.C.
1st Infantry Brigade Commander ..	Lieut.-Col. C. S. Ellis.
2nd do do do ..	Lieut.-Col. A. H. Macdonald.

NIAGARA-ON-THE-LAKE		*9th to 20th of June.*
Divisional Commander	.....	Colonel W. D. Otter, C.B., A.D.C.
1st Cavalry Brigade Commander	....	Colonel F. L. Lessard, C.B., A.D.C.
3rd Infantry do do	....	Lieut.-Col. J. M. Delamere.
4th do do do	....	Lieut.-Col. James Mason.
KINGSTON		*23rd June to 4th July.*
Divisional Commander	.....	Colonel W. D. Gordon.
2nd Cavalry Brigade Commander	..	Colonel F. L. Lessard, C.B., A.D.C.
5th Infantry do do	...	Lieut.-Col. W. E. Hodgins.
6th do do do	...	Lieut.-Col. J. Hughes.
THREE RIVERS		*30th June to 11th July.*
Divisional Commander	.....	Lieut.-Col. O. C. C. Pelletier.
3rd Cavalry Brigade Commander	..	Lieut.-Col. J. Whitley.
7th Infantry Brigade Commander	..	Lieut.-Col. H. Prevost.
8th do do do	....	Lieut.-Col. E. B. Worthington.
9th do do do	....	Lieut.-Col. P. Landry.
10th do do do	...	Lieut.-Col. G. T. A. Evanturel.
DESERONTO		*9th and 20th June; 23rd June to 4th July.*
Divisional Commander	.....	Colonel C. W. Drury, C.B., A.D.C.
1st Brigade, Division Commander	.	Lieut.-Col. J. Davidson.
2nd do do do	....	Lieut.-Col. F. King.
3rd do do do	....	Lieut.-Col. R. Costigan.
4th do do do	....	Lieut.-Col. W. G. Hurdman.

In the House of Commons, on May 29th, the Minister of Militia declared that the supplementary Report of Lord Dundonald for 1902* was solely intended for the Intelligence Department of the War Office and would not be made public although he was willing to show it privately to any Member who wished to see it. The Opposition objected to what they called the "suppression" of an important document and independent papers such as the Toronto *News* and the *Canadian Military Gazette* urged its publication. On June 30th Lieut.-Col. A. T. Thompson made an important speech in the House. He dealt with the existing conditions of the Militia from a severely critical standpoint and declared that, in his serious opinion, the rural part of the Militia was "in an infinitely worse plight to-day than it was two years ago," and that another year under present conditions would "utterly demoralize it."

The reason lay in the 50 cents daily pay. He described the attenuated character of the turn-out at the Camps in many regiments and pictured the result as "the shadow of a skeleton" of a Force. He strongly urged a dollar a day pay during the period of instruction and the drilling of every man every year. The Hon. Mr. Fielding, in the absence of the Minister of Militia, said that these views would have every consideration; Mr. R. L. Borden said that if the House thought that 50 cents more a day would really meet the situation he was sure that they would vote it; Mr. Bourassa declared that the Militia should be maintained in a smaller and better equipped way and purely for internal order purposes. Canada needed no defence except such as the neighbourhood and the Monroe Doctrine of the United States would give it.

* NOTE—See *Canadian Annual Review*, 1902, pages 196-7.

Speaking to the Toronto *World,* on July 23rd, Lieut.-Col. J. Mason strongly endorsed Col. Thompson's proposal for increased pay. "At present a rural Militiaman is paid only $6.00 for 12 days' service while if he stays at his work he can earn nearly double that amount." He also warmly favoured compulsory drill, as far as possible, in public schools and the teaching of boys to shoot. On July 27th a General Order provided that officers of the Permanent Corps under the rank of Captain were to only retain their commissions while unmarried. There were, however, certain exceptions. Amongst the supplementary estimates of the Minister of Finance on Oct. 8th were $1,300,000 for the purchase of ordnance, arms, rifle ranges, lands for military properties, reserve stores of clothing, equipment, and the manufacture at the Dominion Arsenal of a reserve supply of ammunition. For the Schools of Signalling and Musketry $10,000 additional was voted; for the Yukon transportation claims $27,000; for military buildings, Armouries, Drill-Halls, etc., $277,000 was voted. A military banquet was given to Sir Frederick Borden at Montreal on Oct. 22nd and Col. W. D. Gordon, the Chairman, referred in his speech to the Minister's great services in establishing or helping the Army Medical Corps, the Army Service Corps, the projected Military College at Montreal and the local School of Artillery. "He is the best Minister of Militia we have ever had." Sir Frederick in turn eulogized Lord Dundonald in this connection. An important closing event of the year was the appointment on Oct. 15th of Lieut.-Col. Henry Smith as Military Secretary in the Department of Militia and charged especially with "the recommendation of appointments, promotions and retirements of officers and military honours and rewards; with the educational qualifications required from candidates for commission in the Militia and for promotion therein; with the Royal Military College examinations —including applications for admission; and with the issue of military books and literature of an educational character." Some minor incidents of the year were as follows:

Jan. 12.—Lieut.-Col. J. Lyons Biggar addresses the Canadian Military Institute at Toronto upon Army Transportation.

Jan. 15.—The Minister of Militia inspects the Public and High School Cadets of Toronto and expresses his gratification at this encouragement of the true military spirit of defence.

Jan. 22.—Sir F. W. Borden, K.C.M.G., M.D., is enrolled at Ottawa as the first Honourary member of the Ontario College of Physicians and Surgeons.

Jan. 25.—Judgment is rendered at Montreal in the Cooke *vs.* Cole Case confirming the Superior Court award of $100 and costs to Colonel Cooke, and settling the much-discussed Valleyfield matter upon the following grounds:

1. No Volunteer corps can be ordered to attend a voluntary parade except by its own Commanding Officer.

2. A Commanding Officer when not ordered to parade for pay is not, when in plain clothes, subject to the order of any superior officer.

3. The Militia Act does not provide for a substitute for the D.O.C. when the latter is within his own District.

4. When several corps or detachments are parading together it is only when all are drawn up on a common parade ground that the senior officer present in uniform takes the command of the whole—each corps being until then under the command of its own commanding officer.

Jan. 26.—The annual meeting of the Canadian Military Institute is held in Toronto and Colonel Lawrence Buchan, C.M.G., elected President for the ensuing year.

Jan. 29.—Lieut.-Colonels Mutrie and Davidson and the officers of the 1st Brigade of Field Artillery and the 30th Regiment give a banquet in Guelph to the Wellington County and Guelph Councils.

Feb. 16.—Major C. F. Winter addresses the Canadian Military Institute upon the lessons of the Boer War which included (1) the value and necessity of subordination and discipline; (2) the value of mounted infantry in certain cases; (3) the fact that infantry regiments must always be the backbone of Canadian forces and that physical conditions here are exactly the opposite of those in South Africa; (4) the value of decentralization, of military coal stations and railway and dental corps.

Feb. 26.—At the annual meeting of the Dominion Artillery Association various representations are made as to the wants of this branch of the Service and Lieut.-Col. W. H. Cotton is re-elected President.

Feb. 27.—Paardeberg Day is celebrated at Ottawa by the annual Dinner given by H. E. the Governor-General and attended by officers from Halifax, N.S., to Woodstock, Ont.

June 1.—Sir Frederick Borden drops his Militia Bill for the current Session of the House of Commons.

June 1.—H. E. the Governor-General and Lady Minto visit Grace Hospital, Toronto and, after performing some other functions, unveil a portrait of Lieut.-Col. H. M. Pellatt of the Queen's Own Regiment.

June 26.—The list of successful candidates in the entrance examinations of the Royal Military College at Kingston gives 35, out of the 45 who wrote, with 32 vacancies available.

July 14.—The Minister of Militia states in the Commons that Mr. Chamberlain has asked him to go to England and discuss the pending Militia measure with him and the Secretary of State for War. To this the Premier has agreed.

Sept. 14.—A letter from England is made public stating that Colonels W. D. Otter, C.B., C. W. Drury, C.B., and T. D. B. Evans, C.B., who had been officially invited to attend the military manoeuvres of 50,000 troops on Salisbury Plains, have had a very cordial reception in England and been given important active work to do.

Nov. 2.—By General Order a riding establishment is authorized for the Royal Military College, at Kingston.

Nov. 5.—At the Toronto Armouries, Staff Sergeant George Mortimer, Royal Grenadiers, is given a presentation by Hon. J. M. Gibson in recognition of his splendid shooting at the Bisley ranges and his recent capture of the Governor-General's cup at the Dominion Rifle matches in Ottawa.

Dec. 2.—Lieut.-Col. C. E. Montizambert, late D.O.C., is tendered a banquet in Kingston by a large gathering of officers.

Dec. 3.—It is stated from Ottawa that the Prime Minister, Sir Wilfrid Laurier, is entitled to a Fenian-Raid medal as having turned out for duty in 1866 with an Arthabaskaville volunteer corps.

Dec. 6.—It is announced that Lieut.-Col. R. W. Rutherford, Assistant-Adjutant-General for Artillery, will shortly accompany the Minister of Milita to England in order to aid in the purchase of field artillery and Maxim guns.

Dec. 7.—Speaking at Ottawa the Hon. Clifford Sifton, Minister of the Interior, makes the following remarks regarding the Militia: "I would like to see the adoption of the Swiss system under which,

upon showing proficiency, every young man gets the present of a rifle, which he hangs over his bed and produces once a year to show that it is in good order. With a population of ten millions, of whom a million were trained riflemen, we would make it interesting for any people who invaded this country."

Dec 26.—Mr. Justice Fortin renders judgment in the case of Colonel Gordon, D.O.C., against the City of Montreal, compelling the latter to pay $18,680 to the Militiamen who were called out at the request of the City in connection with the Longshoremen's strike.

Sir F. Borden Announces a New Militia Policy

On October 8th, the Minister of Militia and Defence presented to Parliament an elaborate statement of the objects, conditions and requirements of the Militia Force in Canada, together with certain definite detail as to increasing its numbers, efficiency and equipment. He commenced by pointing out that at Confederation there had been an understanding with the Imperial authorities that there should be a yearly expenditure upon the Militia of at least $1,000,000. "At that time our revenue amounted to about $13,000,000. To-day it is five or six times that amount, so that if a million dollars were a proper sum at the beginning of Confederation to spend on our Militia, we can see that a very much larger sum might properly be expended now." The Minister then gave an elaborate table showing the expenditures upon the Service since 1868, covering everything from the Fenian Raids to the South African War, and increasing from a total of $1,436,316 in 1871 to $3,199,509 in 1902, with an estimated expenditure of $2,851,003 in 1903 and $3,803,990 in 1904.

A reference to the proposed new expenditure followed. It was to be chiefly for new armament—to some extent for rifle ranges, and perhaps also the acquisition of lands for military purposes. "At the present moment we are inadequately armed. There are less than 40,000 rifles in this country, whereas we need at least 100,000, and I believe we should have many more than that in reserve. Our field artillery is inadequately armed; we should exchange the present guns for up-to-date weapons. Our garrison artillery is inadequately armed; in many cases the armament is absolutely worthless and useless. That should be changed, and we propose to change it." The Minister then referred to previously expressed hopes of increasing the Militia Force to 100,000 men, and gave the following abstract of the plan which he now proposed to put into operation: "We shall proceed as we are doing now with an enlistment of, say, 40,000 or 50,000 of this 100,000 men; this enlistment to be called a peace establishment. Of that 40,000 or 45,000 men, probably at least fifty per cent. (that is twenty-five per cent. of the whole 100,000 of the establishment), shall be asked to do annual drill; that all the officers and non-commissioned officers for the total force of 100,000 men shall be required to do annual drill, and that the twenty-five per cent., or less, of the 100,000 men, say 22,000 men, who will be required to do annual drill, shall be selected

men who will represent—if I am not making use of a term that is objectionable to some of my friends—the skeleton of the force of 100,000 men."

As to the remaining 50,000 or 60,000 men, it was proposed that they should be enlisted for requirements in time of war, but in the meantime should not be required to drill unless they chose to do so. They would, however, be supplied with rifles and ammunition, and be taught their use in some convenient way. In this connection a system of rifle associations had been already inaugurated, under which 20,000 men were now enrolled, practising the use of rifles and pledged to serve in war-time if required. During the past four years rifle ranges had been constructed by the Government in all the important centres of Canada; the issue of free ammunition increased from one million to seven million rounds; the capacity of the cartridge factory increased from one and a half millions to thirteen millions. It was also intended to establish a Central Camp where the officers of the Militia might gather for instruction at the hands of the Permanent Corps officers, and go through various military evolutions as in war-time.

The Minister dealt at length with the pay of the Militia and thought that if any increase was given it should go to both city and rural corps; declared that it should be arranged on some basis of the good conduct and regular turn-out of the men; announced that in the Permanent Corps, under recent pension arrangements, every faithful man was sure of something in his old age and all young men had a chance of indefinite promotion. He favoured a plan of pay by which an increase was given every year during good service up to a certain point. The Hon. Colonel Tisdale, of the Opposition, followed and declared that if the Minister's scheme was carried out on the lines indicated it would be a good one. It committed the country, however, to large expenditure and should be very carefully considered. He believed the pay at present to be too small, suggested that it be increased at once to 75 cents a day and then graded up according to years of service. He regretted the lack of newspaper publicity given to the Reports of the G. O. C. and especially deprecated the action of the Minister in not giving the recent special Report to the House. There was some discussion upon this point and the Minister declared the document to deal with recommendations involving a very large expenditure on defence and to be of a character which it would not be wise to publish. Other speakers followed and Lieut.-Col. A. T. Thompson again pressed the desirability of an increase in pay to $1.00 a day.

Lord Dundondald and the Canadian Militia

The General Officer Commanding was indefatigable in his work during 1903 and proved himself more than ever popular with the Militia. Speaking at the annual meeting of the Dominion Artillery Association at Ottawa, on Feb. 26th, he stated some of the defects and deficiencies in the Force. He believed in being open and fair with the people in this connection

and all the more so because of the admirable material existing in Canada—the self-sacrificing officers and men struggling against grave discouragements. He proceeded to criticize the lack of proper guns and ammunition; the lack of officers in the Instructional Corps and the Artillery at Kingston; the fact of only three Cadets out of 80 at the Royal Military College going into the Permanent Corps on account of the poor pay; and to express his wish for "a large Central Camp where all arms could work together and all receive mutual instruction one from the other." On Mch 19th one of the periodical reports, emanating from some unknown source in Ottawa, as to differences between the G. O. C. and the Minister of Militia was sent broadcast through the press. It stated that Lord Dundonald wanted an expenditure of $12,000,000 on the Militia and had embodied this and other recommendations in a Report to the Department which had been "turned down"; that he entertained the usual idea of his position being superior to that of the Minister; and that he would probably not remain very much longer in Canada.

On the following day Sir Frederick Borden gave an emphatic denial to the story and said the only bit of truth in it was the fact that Lord Dundonald had prepared for the Government an elaborate plan of national defence. The *Globe* correspondent went on to say in this connection: "Lord Dundonald is a high-minded, chivalrous gentleman, with lofty ideals and a strictly conscientious sense of duty. Everybody who has been brought into contact with him will admit this. He doubtless aims at making the Militia of Canada as perfect a fighting machine as possible. His idea seeems to be that if the Militia lacks rifles or equipment of modern type the deficiencies should be supplied without delay." The G. O. C. himself stated that he could not understand these reports. As long as he could do good he would remain. On Mch 24th, the *Globe* correspondent announced that Lord Dundonald was at work upon plans for increasing the available strength of the Militia in war-time to 100,000 men. Speaking in Ottawa, to the Dominion Rifle Association, on Apl 1st, His Lordship urged the placing of the Militia on a better footing. At present it lacked sufficient arms, was ill-organized in its departments, and its officers and men suffered from many disadvantages. He then threw some light upon recent statements:

> Though I have recommended certain steps which I think are necessary for the Militia, I wish here emphatically to deny a falsehood current in certain papers, namely that I was much annoyed that $12,000,000 was not provided in this year's estimates for the Militia for capital expenditure. If $12,000,000 was provided this moment I could not with the moderate proposals I made recommend its expenditure with advantage within a year. Such expenditure might well be spread over two or three years, so that organization in men and their efficiency could go hand-in-hand with the provision of material.

At a military banquet in London, Ont., on Apl 7th, Lord Dundonald made a number of suggestions regarding desirable

changes. He wanted better and more serviceable uniforms; to do away with the sword and substitute a carbine on active service; to radically change and improve the rations at the summer camps; to effect a reform in the companies' armouries; to establish a signal corps in each regiment and a field telegraph; to raise the total strength of regiments from 300 or 400 to 1,020. On Apl 8th, accompanied by Colonels Cotton and Peters, he visited Woodstock and Ingersoll and in the evening was banqueted at Windsor. In Toronto on Apl 22nd, Lord Dundonald spoke to the *Star* as follows: "Some people may endeavour to discourage what they deem 'militarism' but it can be understood how futile the strength of the defensive force of Canada would be without it. That is simply what I shall endeavour to bring about in the Canadian Militia—organization on reasonable and sensible lines." He was in Hamilton at the St. George's Society dinner, on Apl 23rd, and in the course of a speech said that:

> What he would like to see in this country was a condition in which when he pressed the button the regiments throughout Canada would turn out at once. The system was imperfect at present, and the equipment was not satisfactory. There should be a better system of transport and a better system of signals. He wanted heliographs, so that he could signal his forces, and he thought there should be schools of instruction in signalling. The Canadian Militia had had as their diet, promises instead of food; praise instead of wine. What was wanted was a little of that $13,000,000 surplus. A bugbear of militarism was not wanted, but an efficient force—efficient in organization in its departments and efficient in its system of leaders.

This speech and other similar utterances aroused the hostility of Mr. Bourassa, M.P., and caused a debate in the House of Commons on May 5th. The G. O. C. was attacked by this member on the ground that he was not the proper person to declare or define the military policy of Canada; that this lay with the Minister of Militia. If these views of Lord Dundonald did not represent those of Sir F. Borden then "we are in the presence of a struggle between an irresponsible official of the Government and the responsible head of the Department." Sir Frederick Borden, in his reply, endorsed Lord Dundonald's wishes for the improved efficiency of the Militia; deprecated the idea of any difference between them; declared the reason of past troubles with preceding Commanders to have been their entire lack of experience in dealing with popular institutions or even with the War Office and Executive in England; and repeated the statement that the G. O. C. was an officer and official of the Canadian Government—appointed by them and responsible only to them. Colonel Sam Hughes, Mr. S. Barker, Mr. F. D. Monk, Mr. E. F. Clarke and Lieut.-Col. A. T. Thompson followed in speeches defending, endorsing, or eulogizing Lord Dundonald and the Premier concluded the discussion by emphasizing Mr. Bourassa's right to criticize in the premises; by praising the ability and efficiency of the G. O. C.; and with the following words:

Lieut.-Col. James Mason

President of the Empire Club of Canada.
Commanding the 4th Infantry Brigade of Canada.

Lieut.-Col. Andrew T. Thompson, M.P.

Mover of the Address in the House of Commons, 1903.
Commanding the 37th Regiment, Haldimand Rifles.

Two Prominent Militia Officers of the Year.

> There is no doubt whatever that a General Commanding the Forces has no right to give advice to the people. If he has advice to give he must give it, not to the people but to the Minister whose officer he is. If the General Commanding the Militia has advice to tender, it is not his right—I say it deliberately—to offer advice to the public, but it is his duty to offer it to the Minister; and for that policy the Minister shall be responsible.

One result of this debate was a very general expression and appreciation in the press as to the work done by Lord Dundonald —with a few exceptions where the dread of "militarism" was always uppermost. On May 21st His Lordship reviewed the Quebec troops and was entertained at a dinner at the Garrison Club. On May 29th he addressed 300 uniformed Cadets in Toronto and pointed out that words were not enough to meet an enemy with; that the prosperity of every man and his occupation depended upon keeping and compelling peace; that the learning of discipline and the importance of obedience were very valuable to youth. He hoped to see the Cadets again, 1,000 strong and armed with a lighter rifle. At a military banquet in the evening he took occasion to deprecate charges of militarism and to state that he received neither instructions nor advice from London. On the following day he visited Guelph and inspected and addressed the Cadet Corps there. "An Army without discipline," he said, "was like a machine with wheels running in opposite directions." At Montreal, on June 6th, the G. O. C. reviewed 1,400 men of the local corps and on the 10th inspected a similar force in camp at London. The Niagara Camp of Instruction was inspected on June 17th and the Royal Military College, Kingston, visited on June 24th. On this occasion, after some brief remarks by Sir R. J. Cartwright, Lord Dundonald said:

> It is not in my power to offer those inducements which countries usually offer to their well-educated youths to enter their military service. I can only point out that the inducements Canada offers to these Cadets are not such that they care to accept. As it is with the Cadets, so it is with the non-commissioned officers and men of the Permanent Corps. We must remember that so long as human nature is as it is, so long will we have wars, and so long do we require the best intellects of the country to command her forces in the field. I hope that Canada may eventually recognize the fact that it is necessary to offer sufficient inducements to the Cadets so that they may enter her military service.

The Camp at Three Rivers was inspected on July 24th. On Sept. 2nd Lord Dundonald was given a cordial reception by thousands of Scotch-Canadians at Alexandria, and delivered an address ringing with references to the traditions and achievements of his race in Canada and elsewhere. The Sussex Camp in New Brunswick was visited on Sept. 16th by the G. O. C. and on Sept. 21st His Lordship opened the Fredericton Exhibition. He reviewed the local forces in Halifax on Sept. 28th and on Oct. 2nd visited the grave at Louisbourg, C.B., of his grandfather the 7th Earl of Dundonald, who was killed in the second siege of that once famous fortress. A little later he was at Kentville, N.S., and in

Charlottetown, P.E.I., and on Oct. 6th, inspected the cavalry school which was being held at Sherbrooke, P.Q. At a banquet to the Minister of Militia in Montreal on Oct. 22nd Sir Frederick Borden described the G. O. C. as "a man of sound sense and judgment, who was here for the purpose, not of self-aggrandizement, not of playing to the gallery and having his name and praises sounded on every possible opportunity, but of developing the material he found into one of the best fighting forces on the earth."

Speaking to the Ottawa correspondent of the Toronto *Globe* on Oct. 10th, Lord Dundonald said that he had seen much in the Camps of Instruction which further convinced him of the necessity of a Central Camp where officers and non-commissioned officers could gain experience of the conditions of modern warfare. "In this connection I may say that I have recommended an entirely new system of instruction and examinations for promotion which I hope will assist officers and non-commissioned officers to render themselves efficient." Before the Canadian Club of Ottawa on Oct. 26th he delivered an elaborate address upon the position and prospects of the Militia and the duty of the Canadian citizen towards it. He commenced by declaring his aversion to conscription and to standing armies. "The ideal army is one, in my opinion, which is composed of highly organized citizens temporarily taken from their employment to defend their native land, the permanent or standing force being composed of specialists for the purpose of instruction."

Organization must be prepared in time of peace and include arms, equipment, clothing, stores and ammunition. The officers should know their work and be able to handle the crowds of willing men who would come forward to be trained and led into the field when the time of danger came. His Lordship congratulated the Minister of Militia upon his recently announced policy and analysed it at some length. He concluded with an appeal to the people. A most efficient machinery might be devised to utilize their patriotism. But the patriotism must be supplied by them. "You have now the clear and definite lines laid down of a great citizen army. Nearly all the organizations and departments that render that force efficient in the field are in process of rapid development. An efficient intelligence department and survey of Canada are being organized. Facilities for efficient training are to be given." Public money and popular co-operation were all that was now required.

In November, Lord Dundonald made an official tour of Western Canada. He was in Winnipeg on Nov. 19th, inspected the local forces, was given a Reception at Government House and a military banquet in the evening. At this latter function he read from the recent Report of the United States Adjutant-General that within 12 hours 40,000 men could be placed across the frontier and within 24 hours 60,000 men. On the 22nd the G. O. C. was banqueted by the local St. Andrew's Society; on the 23rd he was at Saskatoon; on the 28th he was entertained at Calgary; on the

29th he was banqueted at Edmonton. Vancouver was reached on Dec. 2nd and a visit of inspection followed along the coast and as far north as Port Simpson and the Portland Canal. Lord Dundonald was accompanied by Lieut.-Colonel Denny, Colonel T. D. B. Evans, C.B., and Lieut.-Col. Holmes, D.O.C. The party reached Victoria on their return on Dec. 14th and Lord Dundonald was banqueted at Vancouver on Dec. 16th and inspected the Cadet Corps at New Westminster two days later. He reached Ottawa again on Dec. 24th.

Changes in the Composition of the Militia

During the year a number of important changes in the composition of the Force took place. In the cavalry the Mounted Rifles were especially affected. "A" Squadron of the Permanent Corps remained as it was under command of Colonel T. D. B. Evans, C.B. "B," "C," "D," "E" and "F" Squadrons were formed into a new Regiment called the 12th Manitoba Dragoons—G. O. 1st July—under command of Lieut.-Col. E. A. C. Hosmer. "J" and "K" Squadrons were converted into the Toronto Light Horse by General Order of 1st Apl with 5 squadrons strength and under command of Major G. A. Peters. "L" Squadron was converted —G.O. 1st Apl —into the Prince Edward Light Horse, one squadron strength, with headquarters at Charlottetown and Capt. J. A. Macdonald in command. "G," "H" and "I" Squadrons remained as they were. At Ottawa, the independent squadron called Princess Louise Dragoon Guards, was converted into a Regiment of three squadrons termed the 5th Princess Louise Dragoon Guards with Major Robert Brown still in command. By G. O. May 1st, the 58th Compton Regiment of Infantry was converted into the 7th Hussars (cavalry) with headquarters at Bury, P.Q., and Lieut.-Col. A. L. Pope in command. To the Queen's Own Canadian Hussars of Quebec commanded by Lieut.-Col. R. E. W. Turner, V.C., D.S.O., another squadron was added and it was re-named the 10th Q. O. C. Hussars By G. O. of 1st Aug. the 54th Richmond Regiment was converted into cavalry as the 11th Hussars, of 5 squadrons, with Lieut.-Col E. B. Worthington in command and headquarters at Richmond, P.Q.

At Sydney, N.S., the Sydney Company of Garrison Artillery was converted into the Sydney Field Battery with Major Walter Crowe in command. A Montreal Company of Engineers was formed under G. O. 1st Feb. with Major S. Howard in command. Under Special General Order of Oct. 24th the Ordnance Stores Corps was established at Ottawa with a view to the more systematic management of arms, clothing, equipment and military stores of every kind throughout Canada and of improving the administration of the Department of Militia and Defence. Colonel D. A. Macdonald, I.S.O., was placed in command as Director-General of Ordnance and Lieut.-Col. J. B. Donaldson second in command. The Military Districts in this connection were divided into 3 classes and apportioned as follows: 1st class stations—Toronto, Kingston, Ottawa, Montreal and Quebec. 2nd class stations—

London, St. John and Halifax. 3rd class stations—Victoria, Winnipeg and Charlottetown.

A Corps of Guides was established under G. O. 1st Apl with a view of obtaining in some steady, organized way a mass of systematized information as to the country for a time of possible war—routes, hills, railways, bridges, facilities for transport, roads, camping-grounds, rivers, railway stations, etc. Lieut.-Col. W. A. C. Denny, an experienced British officer, was placed in charge at Ottawa with the designation of Director-General of Intelligence. Under him were 9 District Intelligence Officers, with 17 sub-districts under individual officers, and smaller sub-divisions termed areas. In each of these areas were a certain number of Guides, ranking as privates or non-commissioned officers and, when numerous enough, constituting a Corps of Guides. Eventually these Corps of Guides were to be formed into a Regiment and the whole country covered with their intelligence work.

Under the same General Order the organization of a Signalling Corps was authorized with Captain W. Bruce M. Carruthers and Captain F. A. Lister in command. A Canadian Engineer Corps was also organized in the Permanent Force with Lieut.-Col. P. Weatherbe in command. The formation and government of the various Cadet Corps were defined by G. O. Oct. 21st and, by G. O. Dec. 1st, four additional Canadian Army Service Corps Companies were authorized with headquarters at Ottawa, Sherbrooke, St. John and Kentville respectively. During the year the Toronto Infantry Regiments were formed into a Brigade with Lieut.-Col. J. I. Davidson in command. Two Regiments were disbanded—the 25th Elgin Regiment commanded by Lieut.-Col. A. F. McLachlin and the 50th Huntingdon Rangers. These were balanced, however, by new Regiments.

On Jan. 27th an application was made to the Minister of Militia from Hamilton seeking permission to establish there a Scottish kilted regiment of 8 companies with 54 men to each company. It was claimed that a large proportion of the citizens were of Scottish descent and that money and men were available. A $5,000 Government grant was asked. Lord Dundonald from the first approved the proposal and with the energetic labours of Captain W. A. Logie, of the 13th Regiment, success eventually came. By G. O. of Sept. 1st the 91st Highlanders was organized with Major-General the Earl of Dundonald as Hon. Colonel and Lieut.-Col. W. A. Logie in command. Another new Regiment of the year was the 23rd, or Northern Fusiliers, formed under G. O. of Sept. 1st with headquarters at Owen Sound and Lieut.-Col. J. Knifton in command.

Appointments and Promotions in the Militia

On June 14th Colonel Lawrence Buchan was appointed an Hon. A. D. C. to His Excellency the Governor-General and on Nov. 19th, Col. Sam Hughes, M.P., was appointed in charge (unpaid) of the Railway Intelligence work in connection with the Corps of Guides. At the same time Colonel C. W. Drury, C.B.,

A.D.C., succeeded Colonel C. E. Montizambert as one of the Inspectors of Artillery. In the District Commands during the year Colonel L. Buchan was transferred from the command of the Royal Canadian Regiment to that of Military District No. 3 (Kingston) in succession to Colonel Montizambert while Lieut.-Col. W. E. Hodgins was re-appointed on Aug. 17th to No. 4 with its headquarters transferred from Kingston to Ottawa. At the Royal Military College, Kingston, two changes were made. Major G. C. Van Straubenzee was succeeded on Aug. 27th as Professor of Artillery, Administration and Law by Major C. N. Buchanan-Dunlop and Major H. S. Logan as Professor of Military Surveying, etc., by Major N. A. W. Scott. On July 1st, Lieut.-Col. E. Fiset, D.S.O., was appointed Director-General of the Medical Service. The following changes took place in the command of Infantry Regiments during the year:

Jan. 7.—Lieut.-Col. E. F. Wurtele succeeds Lieut.-Col. B. A. Scott in command of the 18th Saguenay Regiment. Chicoutimi.
Jan. 21.—Lieut.-Col. Robert Sylvester succeeds Lieut.-Col. Sam Hughes in command of the 45th Victoria Regiment. Lindsay.
Jan. 28.—Lieut.-Col. H. A. Morgan succeeds Lieut.-Col. Gordon Baker, Jr. in command of the 59th Stormont and Glengarry Regiment. Cornwall.
Feb. 2.—Lieut.-Col. W. J. Ray succeeds Lieut.-Col. G. E. A. Jones in command of the 8th Royal Rifles. Quebec.
Feb. 6.—Lieut.-Col. E. Sicotte succeeds Lieut.-Col. A. Denis in command of the 84th St. Hyacinthe Regiment. St. Hyacinthe.
Feb. 28.—Lieut.-Col. J. C. Whyte succeeds Lieut.-Col. C. A. Worsnop in command of the 6th Duke of Connaught's Own Rifles. Vancouver.
Mch. 24.—Lieut.-Col. J. J. Barry succeeds Lieut.-Col. J. B. A. Rousseau in command of the 80th Nicolet Regiment. Nicolet.
Mch. 27.—Lieut.-Col. H. A. Ward, M.P., succeeds Lieut.-Col. John Hughes in command of the 46th Durham Regiment. Port Hope.
Apl. 7.—Lieut.-Col. John Menger succeeds Lieut.-Col. B. A. Weston in command of the 66th Princess Louise Fusiliers. Halifax.
Apl. 30.—Lieut.-Col. W. C. Moscrip succeeds Lieut.-Col. H. A. L. White in command of the 28th Perth Regiment. Stratford.
May 2.—Lieut.-Col. J. A. Gilbert succeeds Lieut.-Col. L. D. Hudon in command of the 84th Temiscouata and Rimouski Regiment. Fraserville.
May 16.—Lieut.-Col. J. T. Thompson succeeds Lieut.-Col. T. H. Lloyd in command of the 12th York Rangers. Aurora.
May 31.—Lieut.-Col. John A. Finlayson succeeds Lieut.-Col. J. P. Cooke in command of the 1st Prince of Wales Fusiliers. Montreal.
Aug. 14.—Lieut.-Col J. W. Baker succeeds Lieut.-Col. G. E. Boyer in command of the 67th Carleton Light Infantry. Woodstock.
Sept. 16.—Lieut.-Col. T. R. Atkinson succeeds Lieut.-Col. I. E. York in command of the 39th Norfolk Rifles. Simcoe.
Sept. 23.—Lieut.-Col. William Young succeeds Lieut.-Col. J. A. S. Varcoe in command of the 33rd Huron Regiment. Goderich.
Sept. 25.—Lieut.-Col. E. W. Wilson succeeds Lieut.-Col. G. A. S. Hamilton in command of the 3rd Victoria Rifles of Canada. Montreal.

Three Commanding Officers were appointed during the year whose appointments were dated back to 1902. Lieut.-Col. John Stoneman in this way succeeded Lieut.-Col. Henry McLaren in

command of the 13th Regiment of Hamilton; Lieut.-Col. R. E. Kent, succeeded Lieut.-Col. J. S. Skinner in command of the 14th Princess of Wales Own Rifles at Kingston; Lieut.-Col. W. P. Appelbe succeeded Lieut.-Col. G. S. Goodwillie in command of the 20th Lorne Rifles at Milton. There was only one change in the Cavalry when, on Nov. 1st, Major W. A. C. Lilley succeeded Lieut.-Col. J. Bayne MacLean in command of the Duke of York's Royal Canadian Hussars at Montreal. In the Artillery Lieut.-Col. J. S. Hendrie, M.P.P., on Sept. 15th, succeeded Lieut.-Col. F. King in command of the 2nd Brigade. On Jan. 25th Major J. B. Robinson succeeded Major S. A. McKenzie in command of the Gananoque Field Battery; and on Aug. 24th, Major W. R. Seale was appointed to command the Shefford Field Battery. Lieut.-Col. A. G. Hesslein succeeded Lieut.-Col. F. H. Oxley in command of the 1st Halifax Regiment on July 13th; Lieut.-Col. W. W. White succeeded Lieut.-Col. G. W. Jones in command of the 3rd New Brunswick Regiment on Sept. 22nd; and Lieut.-Col. R. R. Munro in command of the 5th, British Columbia, Regiment on Feb. 28th.

Major J. W. Odell was appointed on Apl. 27th to command the Cobourg Company of Garrison Artillery. During the year Lieut.-Col. Clarence A. K. Denison retired from the command of the Governor-General's Body Guard, Toronto, and was succeeded by Major W. Hamilton Merritt (not gazetted). Lieut.-Col. John Sheridan of the 73rd Northumberland Regiment also vacated his command. On Sept. 15th, Major-General Lord Dundonald was appointed Hon. Colonel of the 91st Highlanders of Hamilton, and on Oct. 20th Colonel R. H. O'Grady-Haly, C.B., D.S.O., was announced as Hon. Colonel of the Canadian Mounted Rifles (Permanent Corps). The following Hon. Lieut.-Colonels were also appointed during 1903: Lieut.-Col. Sir E. P. C. Girouard, R.E., K.C.M.G., D.S.O., to the 18th Saguenay Regiment (Mch 3rd); the Hon. Sir Mackenzie Bowell, K.C.M.G., to the 49th Hastings Rifles (Mch 19th); and Lieut.-Col. J. Hughes to the 46th Durham Regiment on Oct. 22nd. Some miscellaneous appointments, etc., may be recorded as follows:

Jan. 16.—Major D. I. V. Eaton of Kingston, and now in London, is notified of his appointment by F. M. Lord Roberts to the Staff College.

June 23.—The resignation is announced of Colonel J. L. H. Neilson, Director-General of Medical Services.

June 24.—At the Royal Military College closing exercises it is announced that Imperial commissions have been granted to the following graduates: Sergeant M. V. Plummer, in the Royal Artillery; Sergeant W. G. Tyrrell in the Royal Engineers; Corporal G. L. Peterson, in the Army Service Corps; Cadet A. Flagg, in the Indian Army.

July 4.—The progress of a keen shooting competition between the Gananoque, St. Catharines, Hamilton, Guelph, Ottawa, Toronto, R. M. C. and Midland Field Batteries of the Militia and the Permanent Corps Field Batteries in Camp at Deseronto results in the 14th Midland Field Battery defeating the Permanent as well as Militia Batteries and winning the Oswald, Ontario and Montizambert Cups for Firing and the Lansdowne Challenge

Cup for Efficiency. The successful officers of the Midland include Major N. F. MacNachten (in command), Capt. R. Cairns, Lieutenants E. O. Bradburn, V. A. Hall, W. C. Ackerman, Surgeon-Lieut. H. C. S. Elliot, Vet. Capt. J. W. Fisher, and Cadet Stratton Osler, R.M.C.

Oct. 27.—The Militia Department receives word from the War Office that the following officers have passed the tactical test as to fitness for command: Major V. A. S. Williams, Lieut.-Col. R. L. Wadmore, Lieut.-Col. J. C. MacDougall.

Nov. 3.—Lieut.-Col. J. A. G. Hudon, C.M.G., by General Order is placed upon the retired list, retaining rank, and is granted a pension.

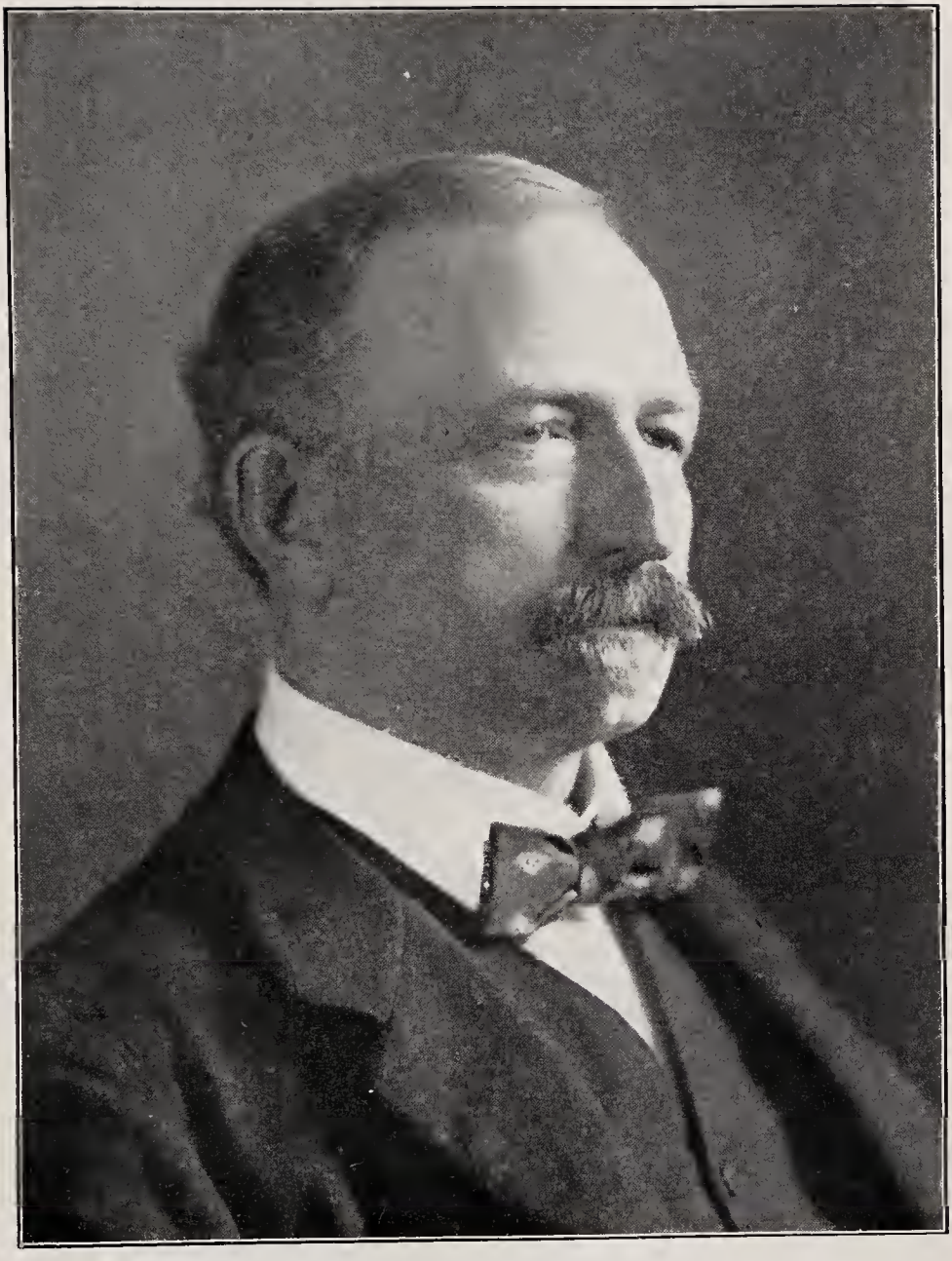
VI.—TRANSPORTATION INTERESTS AND AFFAIRS

Railway and Shipping Interests

The gross earnings of Canadian steam railways in Canada for the fiscal year ending June 30th, 1903, were $96,064,527 or an increase of $12,398,024 over the preceding year. The working expenses totalled $67,481,524 or an increase of $10,137,932. The net earnings were $28,583,003 or $2,260,092 more than in 1902. The steam railways carried 22,148,742 passengers, or 1,468,768 more than in the previous year, and 47,373,417 tons of freight or an increase of 4,996,890 tons. The total mileage on June 30th was 19,077 of which 18,988 miles were in operation and 210 miles were built during the year. The gross earnings of electric railways in Canada during this period were $7,233,677 or a gain of $747,239; and the working expenses were $4,472,858 or an increase of $670,003. The net earnings aggregated $2,760,819 as compared with $2,683,583 in 1902. The passengers carried numbered 155,662,812 and showed a gain of 17,981,410 and the freight was 371,286 tons, or an increase of 105,104 tons. The mileage on June 30th was 759. The paid-up capital of the steam railways was $1,146,550,769 or an increase of $47,698,562 and of the electric railways the paid-up capital was $47,274,853.

As to the Canals $105,332,985 was the sum on June 30th, 1903, representing the cost of original construction and enlargement as well as repairs, renewals and maintenance. The total revenue to date had been $13,247,969. During the previous fiscal year $1,823,273 had been spent in construction and enlargement and $1,025,166 upon repairs, operation, etc. The year's net revenue had been $230,213—a decrease of $70,200—and the expenditure on maintenance, etc., $1,025,166 as above. During the season of the year ending Dec. 31st, 1902, the traffic passing through Canadian canals had been 7,513,197 tons or an increase of 1,847,939 tons. The Sault Ste. Marie Canal showed a traffic of 4,729,268 tons as compared with 2,820,349 in 1901. By Orders-in-Council of Apl 27th and May 19th, 1903, all tolls were abolished for the seasons of 1903 and 1904. On the Welland Canal 665,387 tons of freights were moved—an increase of 45,178 tons.

On Dec. 31st, 1902, according to the latest Report of the Department of Marine and Fisheries, there were 6,836 sailing vessels and 2,289 steamers, with a total net tonnage of 652,613, on the registry books of the Dominion. Of this total Nova Scotia showed 212,967 tons; Ontario, 156,449 tons; Quebec, 136,660 tons; British Columbia, 58,292 tons; and the rest scattering. It was 11,000 tons less than the preceding year and less by 500,000 tons than in 1874. The new vessels built during the year num-



Sir Thomas G. Shaughnessy

President of the Canadian Pacific Railway.

bered 296, with a tonnage of 30,216, as against 335 with a tonnage of 34,481 in 1901. The total net tonnage of the British Empire, including Canada, was 10,475,229 in 1902 and the next Power in this respect was the United States with 2,460,282 tons.

The Canadian Government Railway System

On June 30th, 1902, the total mileage of the Intercolonial Railway was 1,333 miles of operated road, including 32 miles for the Windsor Branch and 170 miles for the Drummond County Line; while that of the Prince Edward Island Railway was 211 miles. These were the only Government-owned roads in 1903. On the Intercolonial main line the earnings in the last year for which full data appears (1902) were $5,671,386 and the expenses $5,574,563; on the Windsor Branch they were respectively $49,604 and $16,376; and on the Prince Edward Island Railway $198,000 and $270,160. The annual statement submitted to Parliament by the Minister of Railways as to the affairs of the Intercolonial Railway was embodied in a speech by the Hon. Mr. Blair on May 28th, 1903. After reviewing the receipts and expenses and comparing his surplus of $96,000 with the old-time deficits Mr. Blair claimed that the Intercolonial was improving year by year and was now a credit to the Government and the people. One of the chief reasons of this betterment of conditions and financial returns was the entrance of the road into Montreal through the acquisition of the Drummond County Line.

During the past few years the road had been modernized in much of its equipment and the wages of the employees had been increased by $240,000 since 1896. In wages, coal, stores and improvements $1,000,000 more was expended in 1902 than in 1896 yet he had a surplus as compared with a deficit in the latter year. Mr. Blair then went into an elaborate argument in favour of Government-control of railways, instanced the experience of other countries and dealt at length with the record of the Intercolonial. He declared the proportion of earnings to each $100 of operating expenses to be $154 in the G. T. R., $161 in the C. P. R. and $173 in the I. C. R. Whatever difficulties existed were due to the location and route of the Railway and not to its management or Government ownership. The Hon. Mr. Haggart followed in a keen analysis of the Minister's figures and a vigorous defence of his preceding administration of the Railway. These views and its own opinions were summarized by the Toronto *Mail and Empire* of June 1st:

> The Intercolonial has cost Canada up to date $68,645,852. We have had, in addition, deficits which aggregate $6,472,000. This places the bill at $75,117,000. Obligations equal to a capital charge of $4,000,000 have been undertaken in connection with the extension from Quebec to Montreal. These raise the cost to $79,000,000 in round figures. For all this expenditure we have the road, which is usually run at a loss, but which netted us last year $96,000. We are all stockholders in the undertaking. We invest our $79,000,000 and we get towards our $3,000,000 odd of interest a dividend of $96,000! If this is not a warning against Government ownership and management of railways nothing in this world can be.

In the fiscal year ending June 30th, 1903, $75,040 was expended at Halifax, $94,491 at St. John, $40,609 at Sydney, $29,293 at North Sydney, $29,887 at Stellarton, $105,372 at Moncton, $29,520 at Point Tupper, and $55,922 at Levis. On additional sidings, etc., $163,090 was spent, $149,744 for strengthening bridges, $262,089 for new bridges, $254,694 for new rolling stock and $597,590 for steel rails, etc. The gross revenue of the I. C. R. in this period was $6,324,323 and the working expenses $6,196,653, showing a surplus of $127,670. The passenger traffic produced $1,927,916 and the freight traffic $4,128,255. The working expenses per mile were $4,713 and the earnings $4,810.

During the year there was much public and Parliamentary discussion of the Intercolonial and its position in connection with the proposed and (alleged) competitive Grand Trunk Pacific Line. The Government took the ground that national development could not wait on the Intercolonial and its limitations; the Opposition contended that the development could be facilitated without destroying the Government Line by simply extending it from Montreal westward. Around these contentions raged a wide-spread controversy and out of them, in the main, came the resignation of the Minister who had expressed such pride in his administration of the Railway.

The Canadian Pacific Railway

Several important incidents in connection with the Canadian Pacific Railway occurred during the year. One was the purchase of the Beaver Line vessels. Interviewed in New York, on Feb. 17th, as to the rumours in this connection, Sir William Van Horne said that they had been negotiating for some time to this end: "The Canadian Pacific has plenty of business for a Line of its own across the ocean. Our object is to have our own ships to accommodate our own business, and not to have to run around dickering for ships to carry our freight." Six days later the negotiations were closed and Sir Thomas Shaughnessy announced in Montreal the acquisition of 14 vessels of the following names and tonnage:

Lake Manitoba.....	8,852 tons.	Monterey	5,446 tons.
Lake Michigan.....	7,000 tons.	Montrose	5,431 tons.
Lake Champlain.....	6,566 tons	Montcalm	5,466 tons.
Lake Erie.....	7,550 tons.	Mount Temple	7,656 tons.
Montreal	6,870 tons.	Montezuma	7,345 tons.
Monteagle	5,467 tons.	Mount Royal	8,044 tons.
Montfort	5,481 tons.	Milwaukee	7,319 tons.

The purchase price, as afterwards officially stated, was £1,417,500. Speaking in London of the arrangement, on Feb. 24th, Sir Alfred Jones, the head of the Beaver Line, declared himself well satisfied: "The Canadian Pacific Railway had taken a tremendous step in the direction of Canadian trade development, and one that would be very profitable. Hitherto the steamships mentioned in the deal had been leaving Liverpool for Canadian and other ports

carrying only a quarter of their possible cargo. Not only would the usual Canadian traffic be increased by the employment of these steamships by the C. P. R., but it was anticipated that a new Eastern trade would be opened with English ports, and with Liverpool in particular, while the Canadian freights hitherto controlled by the Elder-Dempster boats would still be maintained." In Montreal on the same day Mr. John Torrance, of the Dominion Line and the Morgan Syndicate, spoke of the matter as follows: "The Company will be able to quote rates that no other Company can touch. The ultimate result will be that the other companies will be forced out. It gives the Canadian Pacific the inside track over all other steamship companies and railways. This new arrangement will make Montreal a railway port, instead of a general port as at present."

The general opinion seemed to be that the arrangement meant better facilities for the Atlantic trade and a more hopeful outlook for the Canadian Pacific Railway itself. As to Mr. Torrance's fears the other local transportation men, or exporters, did not seem to share them—notably Mr. H. Montagu Allan, Mr. R. Bickerdike, M.P., and Mr. A. J. Hodgson, President of the Board of Trade. In London, on Mch 19th, Sir Thomas Shaughnessy announced the establishment of a by-weekly service of the new C. P. R. fleet to run between Montreal and London and a weekly service between Montreal and Bristol and Liverpool. The freight service was inaugurated on Apl 9th. At the close of the year (Dec. 9th) Mr. Arthur Piers, General Manager of the Line, was able to announce a heavy passenger business with excellent returns and the carrying of a much greater tonnage than the Elder-Dempster Company had ever done. Incidentally the C. P. R. had been able to keep down their St. Lawrence insurance rates by putting in all their Lines to the underwriters in one batch. A summary of these Services at the close of the year may be given as follows:

	No.	Gross Tonnage.
Atlantic Service	14	95,014
Pacific Service	55	26,022
Pacific Coast Service	13	11,317
Upper Lake Service	3	7,167
British Columbia Lake and River Service	11	6,125
Tugs, Columbia River	6	423
Ferry Service	2	1,615
	104	147,683

On Feb. 27th a somewhat eventful strike of Canadian Pacific Railway employees was declared at Vancouver by the United Brotherhood of Railway Employees. This organization embraced all classes of the employees and included even the clerical staff. The strike was caused by the Company refusing recognition to the Brotherhood and by alleged discrimination against its members—one of them being dismissed on what was claimed to be insufficient grounds. The trouble began amongst 154 men in Vancouver and

New Westminster and gradually spread through the freight handlers, the messengers, the longshoremen, and the teamsters at Vancouver, the mechanics at Revelstoke, the freight handlers and clerks at Winnipeg, the employees at Calgary, the ferry hands on the vessels running between Victoria and Vancouver, and the employees at Nelson, etc. Though serious inconvenience and loss was caused the business of the Railway was not, as a whole, tied up—although its Pacific shipping was affected for a time.

One of the incidents of the strike was the trial and ultimate acquittal on Apl 6th of Mr. George Estes, President of the U. B. R. E., on the charge of inciting delay in the carrying of His Majesty's mails upon a Canadian Pacific Navigation Company vessel. Various attempts at settlement were made by the Vancouver Board of Trade and City Council and other interests. On Mch 10th the strikers offered terms which were rejected. Towards the end of May another effort was made and a Committee of Conciliation was appointed in Vancouver which negotiated at length with a Committee from the United Brotherhood. Then commenced the investigation of the Royal Labour Commission and the presentation of an elaborate statement of their case by the U. B. R. E. The Commission concluded its work, in this connection, on June 13th and upon the same day Counsel for the two parties stated that a satisfactory settlement had been reached. On June 27th, the strike was officially declared off.

A sensational incident of the year was the strong and sustained attack made in New York upon the C. P. R. stock and its firm resistance to all the depressing influences of a stormy period. Whatever fluctuations occurred were slight in comparison with those which characterized other and similar stocks. On Aug. 8th, all the pressure brought by Wall Street did not lower the price below 118 and it was currently rumoured that Lord Strathcona must be personally behind its resisting power. This he denied, in a Montreal press interview on Aug. 19th. "There was no adventitious aid given to the stock of the Canadian Pacific Railway Company," said he, "at least, I am aware of none personally; I never went on the Stock Exchange to lend it one cent's worth of support. That the stock in question held its own during the general depression must have been due to the widely entertained opinion as to its reliability. The Canadian Pacific Railway is everywhere looked upon as a safe investment, and I know that the President and Directors entertain the view that the system is absolutely representative of every dollar that has been put into it." Meanwhile, on Aug. 10th, a dividend of 3 per cent. had been declared (an increase of one-half per cent.) on the ordinary stock for the half-year. The highest market price of C. P. R. during 1903 was 138 and at this date it stood at 126 in New York.

On Aug. 10th Senator George A. Drummond, Senator Robert Mackay, and Mr. David McNicoll of Montreal, with Mr. Clarence H. Mackay of New York, were added to the Board of Directors.

The annual meeting took place on Oct. 7th and the Report showed gross earnings of $43,957,373, working expenses of $28,-120,527, and net earnings of $15,836,845. After deducting interest and fixed charges the surplus was $10,071,460 and out of this dividends of nearly $6,000,000 were paid. According to the condensed balance sheet for the year ending June 30th, 1903 the cost to date of the Railway and its equipment was $242,769,210 and of its steamship lines $11,771,132. The cash in hand was $19,145,168; the total assets were $341,699,276; the surplus of assets over liabilities was $18,846,175; and the Company owned 12,081,776 acres of land in Manitoba and the Territories and 3,759,418 acres in British Columbia. The old Directors were re-elected with the four new ones mentioned above. Sir William Van Horne was re-elected Chairman of the Board and Sir Thomas Shaughnessy President of the Company. Some minor events in connection with the Railway were as follows:

Mch. 14.—The Supreme Court of Manitoba holds that Municipal taxes cannot be collected from the C. P. R. in Manitoba and added territories, but that school-rates may be recovered in the North-West Territories.

Apl. 5.—In an interview at Montreal Sir T. Shaughnessy states (Halifax *Herald* report) that for 18 years he has believed in Montreal or Quebec as the summer port of Canada and Halifax as its winter port.

Apl. 15.—Mr. J. W. Leonard is announced as the newly-appointed Assistant General-Manager of Lines west of Lake Superior.

Apl. 20.—Mr. James Oborne, General Superintendent of the Atlantic Division, submits to the St. John Board of Trade a scheme for local port facilities and development which would cost the Government $5,000,000 spread over five years.

Apl. 25.—The North-West Legislature passes a Memorial to the Government at Ottawa declaring that in the past ten years the C. P. R has "absolutely failed to provide adequate facilities for the transportation of the grain, cattle, and other natural products of these Territories."

Apl. 28.—Mr. C. W. Spencer is appointed General Superintendent of Transportation and Mr. J. Oborne succeeds him as General Superintendent of the Eastern Division of the C. P. R.

May 8.—Mr. William Downie of the Pacific Division of the C. P. R. and recently appointed to succeed Mr. Oborne at St. John, is given a farewell banquet at Nelson. B.C.

May 11.—Mr. James Oborne of the Atlantic C. P. R. Division is given a farewell banquet at St. John upon his promotion to Montreal.

May 19.—The President of the C. P. R. gives evidence at Victoria, B.C., before the Legislative Committee of Inquiry into the Columbia and Western land grants.

May 20.—Under this date Sir T. Shaughnessy writes the St. John municipal authorities and states that, greatly interested as his Company is in the business of that port, they do not feel under any obligation to provide local wharfage facilities.

June 8.—Sir T. Shaughnessy wires the Mayor of Victoria, B.C., that his Board of Directors has decided to build a new Hotel in that city.

Aug 4.—Mr. William Whyte tells the press at Montreal that "in the real policy of the C. P. R., in addition to business there is a good deal of sentiment. What we are specially aiming at is to make the line throughout the west all Canadian."

Aug. 10.—The Toronto *Globe's* Ottawa despatch announces an important exchange of lands in the North-West between the Government and the C. P. R. and a big irrigation scheme on the part of the Company.

Aug. 27.—A Great Northern Railway extension line tears up a section of the C. P. R. at Sapperton, B.C., so as to obtain crossing rights. Chief Justice Hunter on the following day refuses an injunction preventing further action.

Sept. 9.—The largest of the C. P. R. Pacific steamships—*The Princess Beatrice*—is launched from the docks of the British Columbia Marine Railway Company at Esquimalt.

Sept. 15.—Announcement is made that the plans have been passed by the C. P. R. Directors for a combined new station and hotel in Winnipeg. It is said that these will cost somewhere in the neighbourhood of $3,000,000.

Sept. 26.—Sir Thomas Shaughnessy addresses the Victoria Board of Trade, states that the Company will build a tourist Hotel in the city and describes some of the sources of profit and loss to the C.P.R. in the Province of British Columbia.

Oct. 6.—The Toronto *News* publishes a striking article reviewing the efforts of Mr. James Hill to get a footing for his railway interests in the West and describing the rivalry of Mr. Hill in building up Seattle with Sir T. Shaughnessy in building up Vancouver.

Oct. 7.—It is announced at Winnipeg that the C. P. R. will reduce wheat and flour rates to Lake Superior by 4 cents a hundred lbs. and to points west of Winnipeg by 3 cents a hundred lbs. The coarse grain rates will be lowered 2 cents a bushel.

Oct. 28.—A meeting of Municipal representatives of Whitby, Oshawa, Port Hope, etc., is held at Bowmanville and passes a Resolution asking the C. P. R. to connect those towns with its system.

Nov. 2.—It is announced that the Ottawa Northern and Western Railway will be incorporated in the general system of the C. P. R.

Dec. 10.—The Premier of British Columbia reads in the Legislature a telegram from Sir T. Shaughnessy protesting against the pending railway taxation. "The effect of the proposed legislation is to clearly place upon the C. P. R. the burden of paying through the channel of taxation for the stupendous blunder made by the Province when it undertook the construction of the expensive and useless Westminster Bridge, nominally for the purpose of enabling certain railway lines in the United States to enter the Province and compete with the Canadian Pacific."

Dec. 23.—At a meting of the Directors of the C. P. R. in Montreal Mr. William Whyte is elected 2nd Vice-President of the Company and appointed in charge of the Western lines in succession to Mr. J. W. Leonard. Mr. D. McNicoll is appointed 1st Vice-President and retains his position of General Manager.

The Grand Trunk Railway of Canada

The Report of this important Railway system for the six months ending Dec. 31st, 1902, had been a favourable one upon the whole and had contained the following paragraph relating to the scheme of extension and construction which, during 1903, bulked so largely in the political history of Canada. "A Bill has been introduced under the auspices of the Grand Trunk Company for the incorporation of a Company with powers to construct a railway through the North-West Province of Canada to the Pacific, which it is proposed to work in connection with and under traffic arrangements with the Grand Trunk Company." On Aug. 24th, a special gen-

eral meeting of the Grand Trunk Railway Company was held in London to consider a Resolution authorizing the Directors to create and issue certain 4 per cent. guaranteed stock under powers conferred during the current Session of the House of Commons.

Sir Charles Rivers Wilson presided and the necessary authority was accorded to the Directors. In his speech the President made the following statement: "The amount the Board asked latitude to issue was considerable—being an increase from £5,220,000 to £10,000,000. But they had been in the habit of taking these general powers from time to time from the Parliament of the Dominion of Canada, with a view to using them, as necessity might arise, for the improvement of the road and the general purposes of the Company. Therefore, they must not run away with any idea of putting them into operation except in the way they had done in the past with other 4 per cent. debenture stock." The first half-yearly meeting of the Company was held in London, on Oct. 9th, 1903, and dealt with the Report of affairs to June 30th; the 2nd half-yearly meeting was on Mch 8th of the ensuing year. On the former occasion Sir Charles Rivers Wilson made the following important explanation of the origin of the Grand Trunk Pacific:

> The idea which the Grand Trunk Company had when they undertook the promotion of what was called the Grand Trunk Pacific road was to acquire a connecting interest with a separate corporation which would construct the road through the prairie districts. This was their primary idea, and the underlying principle was that, starting from North Bay, such a line might be built running to Winnipeg or farther west. It was with that idea that they promoted a Bill for the incorporation of the Company in question. The Bill was introduced into the Dominion Parliament, but it was soon found that it had raised a very great question in the public mind and on the part of the Government as to whether the opportunity afforded by the scheme should not be taken to obtain still larger advantages in the interests of Canada. He would not go into details, but he might state, generally, that at the wish of the Dominion Government, and of public opinion there, a very much larger scheme, contemplating the construction of a road straight across from New Brunswick in the east to the Pacific Coast in the west, had been drafted upon the original idea, which had thus been considerably altered.

The President went on to say that the recent issue of guaranteed stock had been very successful. Subscriptions were asked for £750,000 and applications were received for £937,000; while out of the 2,100 applicants 90 per cent. were proprietors in the Company. During the public debates and discussions of the year much unfavourable comment was heard regarding the G. T. R. terminal facilities at Portland, Maine. Before the Railway Committee at Ottawa on Apl 3rd Mr. W. Wainwright declared that the public did not understand the situation. "If the traffic over the G. T. R. did not go to Portland it would go to Buffalo, New York or Philadelphia. This he was loth to make public for fear the United States terminals would bring pressure to bear upon the G. T. R. Every car carried to Portland went through Canada,

and Canadians received money in wages and for supplies all along the route." The chief items of business and finance in the Grand Trunk during 1903 may be seen from the following table dealing with the half-yearly periods:

	To June 30th, 1903.	To Dec. 31st, 1903.	Total for the Year.
Gross Receipts	£2,778,080	£3,138,468	£5,916,548
Working Expenses	1,995,032	2,214,085	4,209,117
Net Traffic Receipts	£ 783,048	£ 924,383	£1,707,431
Interest, etc.	94,866	88,871	183,737
Net Revenue Receipts	£877,914	£1,013,254	£1,891,168
Balance from previous Half-year	4,040	5,541	9,581
	£ 881,954	£1,018,795	£1,900,749
Dividends	253,026	401,687	654,713
Miscellaneous Revenue Charges	£623,386	£614,410	£1,237,796
Passengers carried	3,960,494	5,139,073	9,099,567
Tons of Freight and Live Stock	6,745,354	6,738,702	13,484,056
Train Mileage	9,680,431	9,685,271	19,365,702
Outlay on Capital Account	£123,481	£512,874	£636,355
Gross Receipts of Grand Trunk Western Railway	554,020	580,684	1,134,704
Working Expenses, Grand Trunk Western Railway	475,586	498,571	974,157
Gross Receipts of Detroit, Grand Haven and Milwaukee Railway	115,038	142,283	257,321
Working Expenses, Detroit, Grand Haven and Milwaukee Railway	92,408	104,948	197,356

The increase in gross receipts for the first half-year, over the same period in 1902, was £400,879 or 16·86 per cent. and in working expenses £391,420 or 24·11 per cent. For the second half-year the increase in gross receipts was £326,590 or 11·61 per cent. over the same period in 1902 and in the working expenses £239,263 or 12·12 per cent. In the Report for Dec. 31st, 1903, it was stated that the doubling of the remainder of the track between Montreal and Toronto had been completed. The Loan capital and debenture stock of the Company at that date was £24,391,776 with annual interest totalling £1,067,860. The Securities owned by the Shareholders of the Company were valued at £20,450,210. The following minor incidents of the year in connection with the G. T. R. may be mentioned here:

May 7.—Sir Charles Rivers Wilson, President of the G. T. R., arrives at Ottawa in connection wiith the G. T. P. matter and afterwards visits Winnipeg and the West.

May 15.—The Toronto Junction Council passes a vigorous Resolution of protest against what it terms the discrimination of the G. T. R. towards the town and the Union Stock Yards Company.

June 11.—Mr. J. W. Loud of the G. T. R. says that there is no dispute over freight rates with the C. P. R., but that the former line has merely declined to be too accommodating. They had refused to act as a feeder to the new C. P. R. vessels.

Aug. 28.—To the *Globe* correspondent at Montreal Mr. C. M. Hays says that "one of the great difficulties that railroads have to contend against in Canada just now is a lack of equipment and the means of providing more. Both the C. P. R. and the G. T. R. suffer severely from this cause. Both could undertake a great deal more business than they do, could they get the necessary rolling stock and other equipment fast enough. He considered the hindrance in this respect the cause of most of the complaints that have been made against the railways of delay in delivery."

Sept. 15.—The Grand Trunk runs its trains into Milwaukee and into Toledo over the Detroit and Toledo Line.

Sept. 29.—The Hon. R. W. Scott states in the Senate, in reply to an inquiry, that there is an indebtedness of the Grand Trunk Railway Company to the Government of Canada amounting to $15,142,000 with interest of over $10,000,000. It had been incurred before Confederation and no claim had been made for it or, in his opinion, would be made.

Oct. 5.—Mr. Charles M. Hays is elected President of the Detroit and Toledo Shore Line Railway recently acquired by the Grand Trunk Western Company.

The Canadian Northern Railway and its Progress

The progress of the many projects connected with this Railway and with the ambition of Messrs. Mackenzie and Mann to build a great trans-continental line was very marked during 1903. Its only check appeared to lie in the Government proposals to aid the Grand Trunk Pacific. Toward the end of January it was announced that the Canadian Northern Railway had acquired the charter of the Morden and North-Western Company with a right of construction from Winnipeg to Morden and from Morden across Manitoba to its Western border. On Jan. 31st, Mr. J. N. Greenshields, K.C., Counsel at Montreal for Messrs. Mackenzie and Mann, announced the sale of the Great Northern Railway of Quebec to the C. N. R. This line ran from Quebec to Hawkesbury, a distance of 225 miles. It had under construction branches which would make its length a total of 370 miles and had traffic arrangements with the Canada Atlantic through to Parry Sound together with important elevator and dock facilities at Quebec. The country covered by the road was one of the finest pulp regions in the world with water power for the most varied industries. To the press at Montreal, on Mch 26th, Mr. D. B. Hanna of the C. N. R. made the following statement:

> The principal result of the Canadian Northern and the Great Northern deal will be that as much as possible of the trade of the North-West will be directed along Canadian lines to Quebec and shipped in British-owned vessels to different ports. The direct result of the arrangements that have been made will be that the Canadian Northern will carry the grain and freight from the North-West down to Port Arthur. The steamers of the Canada Atlantic will then be used as far as Parry Sound, and the Canada Atlantic Railway thence to Hawkesbury. Here the Great Northern has secured complete control and will take charge and carry it to the different British ports.

On April 30th a meeting of the Directors of the Great Northern was held and various changes made in the management of the

road. The new Directors included, amongst others, the Hon. P. Garneau, M.L.C., of Quebec as President, Col. James McNaught and Mr. H. H. Melville of New York, Messrs. Z. A. Lash, K.C., D. B. Hanna, and W. H. Moore of Toronto and the Hon. S. N. Parent of Quebec. In the Nova Scotia Legislature, on Mch 26th, a measure was introduced and eventually passed authorizing the sale of the Nova Scotia Central Railway, running 74½ miles between Middleton and Bridgewater, to the Halifax and South Western Railway Company—Mackenzie and Mann's concern for building between Halifax and Yarmouth. The purchase price was stated at $525,000.

During the Session at Ottawa (July 11th) the Quebec, New Brunswick and Nova Scotia Railway Company obtained a charter for a line running from Quebec to Moncton, N.B., and thence to St. John, N.B. The incorporators were Messrs. D. D. Mann, Z. A. Lash, K.C., Charles Fergie, Graham Fraser, Jacques Bureau and Peter McSweeney. On July 28th, it was announced that Messrs. Mackenzie and Mann had acquired the Middleton and Victoria Beach Railway, connecting at Middleton with the Nova Scotia Central Railway, and running thence for 41 miles through the famous Annapolis Valley to Annapolis Basin. In the Nova Scotia Legislature at the close of the year the time for completion of the Halifax and South-Western Line was extended and it was stated in the House on Dec. 7th that upwards of $1,000,000 had been already expended in construction.

On Mch 18th a Government measure passed the Manitoba Legislature guaranteeing the bonds of the Canadian Northern Railway to the extent of $10,000 per mile upon certain branch lines in Manitoba aggregating 338 miles. At Winnipeg on Apl 22nd, Mr. D. D. Mann stated their expectation of grading 320 miles in Manitoba during the year. They had 475 miles of steel rails contracted for. In this Province, where the Canadian Northern system was closely connected with the Government under a system of bond guarantees and alleged control of rates, the Hon. R. P. Roblin announced on June 6th following, at Neepawa, that on July 1st a number of improvements would be effected in the service between certain points together with a reduction in the carrying charges of grain to Port Arthur of two cents per 100 pounds.

Meanwhile, on May 26th, the Railway Committee of the House of Commons had passed a measure giving the Canadian Northern Railway Company power to construct various specified branches in Manitoba and the Territories and to build from Edmonton to the Yukon and the Pacific. The location of the branches was to be approved by Order-in-Council and the Company was given five years to construct its lines south of the Saskatchewan and seven for those to the north of that River. The bonding power of the new lines east of Edmonton was to be $25,000 a mile and $35,000 per mile from Edmonton to the Pacific Coast. Five years' exten-

sion of time was given to the Edmonton, Yukon and Pacific Railway; four to the Nipissing and James Bay. Both of these were Mackenzie and Mann charters.

On June 10th, the Hon. Mr. Blair, Minister of Railways, introduced in the House of Commons a number of Resolutions granting certain specified aid to the Canadian Northern Railway Company in building from Grandview, Manitoba, to Edmonton, N. W. T.—a distance of about 620 miles—and to the Prince Albert branch line of about 100 miles in length. The assistance was to take the form of a Government guarantee of the principal and interest of the first mortgage bonds, debentures, or other securities of the Company, to the extent of $13,000 per mile. Interest was to be at the rate of 3 per cent. per annum and the principal to be payable in 50 years. Various details were given as to the security exacted by the Government and the C. N. R. was forbidden to sell or lease any of its lines, or any portion of them, to the C. P. R. The Government retained the power to grant running rights over the road upon equitable terms to any other Railway and the Resolutions proposed to enact that "the rates and tolls to be charged for the transfer and carriage of freight and passengers upon the lines of railway so aided and upon all the lines owned by the Canadian Northern Railway, shall be under the control of the Governor-in-Council or of such authority, commission or tribunal as is designated or constituted under any Act of the Parliament of Canada for the regulation or control of the business of railways."

In his speech the Minister described the country through which the railway was to run as exceptionally fertile and as promising a substantial and paying traffic. The Line was needed by the people at once and in order to hasten its construction the Government were willing to aid in this way, with the most ample securities in hand including "a blanket mortgage over their whole enterprise from Port Arthur through to the West." Mr. R. L. Borden, in following, approved of the general idea of aiding railway development in that part of the country but thought the Government should state whether this was their only scheme or whether there was more than one. He pointed to the guarantee of $9,360,000 as practically an addition to the Debt, or obligations, of the country for 50 years. Mr. W. F. Maclean urged national ownership of the road. The Bill embodying these Resolutions into law passed the House on July 2nd without serious change in the conditions outlined. Meantime, the transcontinental ambitions of the promoters had been expressed upon several occasions as well as embodied in these various charter arrangements. Interviewed by the Halifax *Chronicle* of Apl 1st, Mr. William Mackenzie was reported as follows regarding the general projects of his Company:

> We have not commenced the construction of the eastern end of the road yet, but we are locating the line and we hope in time to join Ottawa, Toronto, Quebec, and Montreal by our road, and we will probably put Quebec as near Winnipeg as Montreal is at present by the C. P. R. Do we intend to establish a transcontinental line? Well we have been developing in that direction for some time.

In Montreal, on June 26th, Mr. D. D. Mann, after stating that they would this year build 300 additional miles to their main line and 200 on the Western branches, as well as two more elevators at Port Arthur which would bring up their capacity there to 7,000,000 bushels, went on to say: "We will neglect no reasonable measures to make our line ultimately reach from ocean to ocean, and there is no reason now to suppose that that desire will not be ultimately carried out." Then came the Grand Trunk Pacific project in Parliament and the rumoured abandonment of this ambition. To the *Globe* of Aug. 27th Mr. Mackenzie commented as follows in this connection: "It is hardly correct to say that we have abandoned our proposed transcontinental line, but it does look as though we would have to postpone the construction of a through line from the Atlantic to the Pacific." In the same paper on Sept. 1st, he stated that construction would continue and their eastern terminals be Quebec, Ottawa, Montreal, and Toronto. To the Quebec *Chronicle* on Dec. 22nd, Mr. Mann referred to the current rumours that they were going to be bought out by the Grand Trunk in the West with a sharp denial.

We will have nothing to do with the Grand Trunk people, and what is more, have no need. We control 85 per cent. of the stock and the interests of our enterprise and mean to hold on to our property and manage the Railway ourselves. We have over 1,200 miles of road finished and running and shortly will have 200 miles more completed and running. We now are making a large profit, having a surplus of over $600,000 per year over the running expenses, besides paying interest on all the moneys borrowed.

The gross earnings of the C. N. R. during 1902 were $1,828,410 and in 1903, $2,914,880, or an increase of 59·42 per cent.* The following are some minor incidents of the year in connection with the Railway:

Mch. 11.—Mr. Mackenzie tells the Toronto *Star* that when the present arrangements of the C. N. R. are completed Manitoba will be about the best served country in the world so far as railways are concerned.

Apl. 29.—Mr. D. B. Hanna, 3rd Vice-President of the C. N. R. and representatives of the Great Northern and other interests, meet in Quebec to discuss Harbour facilities and possible improvements.

May 9.—Mr. Mackenzie confirms the report that a Syndicate of Duluth, Minneapolis and Canadian capitalists have acquired certain interests and rights in the C. N. R.'s land grants of some million and a half acres. "The idea is to place the land in the hands of actual settlers" through the medium of experienced and organized interests.

May 17.—It is stated that the Great Northern Railway has concluded arrangements for the lease of the Chateauguay and Northern Railway and the Montreal Terminal Railway.

May 25.—Sir Charles Rivers Wilson, President of the Grand Trunk Railway, informs the Winnipeg *Telegram* that he has had several conferences at Ottawa with Messrs. Mackenzie and Mann as to the relations of the two Companies but without result up to the present.

* NOTE—Manitoba *Free Press*, Jan. 13th, 1904.

June 2.—It is stated by Mr. A. W. Smithers, Director of the G. T. R., that "no formal or serious discussion" as to the acquisition of the C. N. R. was ever held.

June 2.—Subscriptions are invited in London for £400,000 of 4 per cent. perpetual, consolidated, debenture stock of the Canadian Northern Railway Company selling at 90 per cent. The money is to be applied to acquire bonds and stocks of the following Companies: Lake Superior Terminal, $1,000,000, five per cent. first mortgage gold bonds; Winnipeg Land, $300,000 ditto; Minnesota and Manitoba Railway, $250,000, five per cent. general mortgage bonds; Minnesota and Ontario Bridge Company, $180,000, 4½ per cent. first mortgage debenture bonds; Canadian Northern Telegraph, $300,000, five per cent. general mortgage bonds.

June 30.—It is stated that the Canadian Northern Railway operated for the preceding year 1,276 miles of railroad, of which the main line from Port Arthur to Winnipeg, and Winnipeg to Grand View on the Western boundary of Manitoba, comprised 646 miles. The branch lines amounted to 630 miles, of which the longest were the Brandon branch, from Morris to Brandon, 145 miles, and Gilbert Plains to Erwood (Prince Albert branch) 191 miles. The C. N. R. had 354 miles of railway in the Province of Ontario on the main line from Port Arthur, while in Manitoba its mileage was 857.

The Trans-Canada Railway Project

The apparent collapse of this enterprise took place during 1903 as a result of the success of the Grand Trunk plans. It was the intention of the promotors, if they could get sufficient Government aid, to build a Line from Chicoutimi 100 miles to Quebec, thence through the Lake St. John region and straight west to Lake Winnipeg and thence through the northern parts of Saskatchewan, Alberta and Athabasca and the Rocky Mountains to the Pacific coast. The idea of building a railway 2,700 miles in advance of settlement and in the faith of a traffic not yet existing was a bold one. But it found influential and enthusiastic supporters.* Amongst its promoters or shareholders were the late Senators Clemow and Paquet, Mr. Joseph Girard, M.P., the Hon. P. Garneau, Mr. G. Tanguay, M.P.P., Hon. Jules Tessier, Messrs. William Price, J. G. Scott, J. T. Ross, E. E. Ling, W. M. Macpherson and many other leading citizens of Quebec.

Early in the year (January) representatives of the Railway Company—which had obtained its charters in 1895-1897—addressed the Moncton Board of Trade and those of St. John, Halifax, Truro, and other places. Meantime, Mr. O. E. Talbot, M.P., had been touring the West on behalf of the project. He spoke at Brandon on Feb. 1st, Victoria, B.C., on Feb. 18th, at Vancouver on the 20th, at Winnipeg on Mch 4th and at various smaller centres. Favourable Resolutions were passed by the Boards of Trade at Chatham, N.B., Sydney, N.S., Quebec, etc. A Quebec delegation addressed the Council of the Toronto Board of Trade on Mch 10th, and on Mch 31st a large number of representative Quebec men, headed by Mr. Tanguay, M.P.P., waited on their Provincial Government and asked for land grants of 15,000 acres per mile

* NOTE—See *Canadian Annual Review* for 1902, pages 222-4.

for the 400 miles of line from Roberval to James Bay. This was claimed by the speakers to be the shortest and best route to the West and hundreds of miles shorter than that of the G. T. P. project. The Government did not see their way, however, to meet this large demand. Mr. J. G. Scott and others addressed the Railway Committee at Ottawa on May 27th and Mr. Scott declared that the Trans-Canada would open up 70,000,000 acres of land in the James Bay country alone. They had $260,000 subscribed. Surveys had been going on, meanwhile, in various directions. But the other project obtained the support of the Government and in August there were rumours of the willingness of the Trans-Canada people to sell their interests in the concern. After that date the public heard little or nothing about the project in 1903.

The Creation of a Railway Commission

It had been understood in the Session of 1902 that Mr. Blair's Railway Commission Bill would be re-introduced in the succeeding Session and that its presentation then was merely for discussion. On Feb. 11th a deputation representing the Toronto Board of Trade, the Canadian Manufacturers' Association, the Cattle Dealers' Association, the Ontario Fruit Growers' Association, the United Fruit Growers' Association, the Dominion Grange, and the Farmers' Association, waited upon the Dominion Government and urged the creation of a Railway Commission with power to adjust and control rates. The speeches dealt mainly with the question of freight rates and a Memorandum from the Farmers' Association presented the following view:

1. Rates on short hauls within Canadian territory are so high as to be practically prohibitory.
2. Rates on long hauls also within Canadian territory do not in many cases bear fair proportion either to the cost or value of the service rendered.
3. Rates on local Canadian traffic are much higher than rates under similar conditions on local traffic in the United States.
4. On traffic originating in the United States and carried over Canadian lines to the seaboard, the rates are in numerous instances not only relatively but actually lower than the rates imposed on Canadian produce carried over the same lines but for a shorter distance.

The Premier in his reply expressed pleasure at the approval of the Government's proposed legislation and said that Mr. Blair's Bill would be re-introduced very shortly. On Mch 20th, this was done by the Minister of Railways. The measure abolished the Railway Committee of the Privy Council as then existing; established a Railway Commission of three who were to be men of independence in character and experts in knowledge; gave this body power to regulate rates and deal with shippers' grievances; and accorded some control of the operation of railways, the equipment of trains, and the protection to be afforded the public. The Commissioners were to be removable by the Government for cause and their appointment was to be for ten years and subject to renewal. The Government Railways would not be under the con-

trol of the Commission and Mr. Blair explained that the C. P. R. would be so in any part of the country not covered by contracts with the Government. There would be an appeal to the Governor-General-in-Council and the Commission would have control over the issue of stocks and bonds by railways. It was not given control in the granting of charters.

At Ottawa, on May 14th, a deputation representing the Railways of Canada met the Minister and protested against the terms of the measure while a smaller delegation from the Toronto Board of Trade approved it as the nearest approach to meeting the wants of the commercial community which had yet been devised. On May 20th Mr. Blair had a further and prolonged conference with railway men from all parts of the country. In the Committee and in the House during several succeeding months he handled this measure with what the *Globe* of June 4th described as "skill, tact and success." The Bill finally passed both Houses and in its later stages was given every possible aid by Mr. Blair though he was then no longer a member of the Government.

As finally constituted, it was practically a Court with supervision over railway rates—modified, however, by charter conditions—and with power to prevent the pooling of earnings, to deal with questions of railway drainage and cattle guards, to see that reasonable facilities for transportation were given by the railways, and to regulate tolls for freight in proportion to distance. In matters of fact there was no appeal; in matters of law and jurisdiction there was an appeal to the Supreme Court. But the Governor-General-in-Council might "vary, change or rescind any order, decision, rule or regulation of the Board." The salary of the Chief Commissioner was to be $10,000, of the other two Commissioners $8,000 each and of the Secretary $4,000. At the end of the year (Dec. 28th) Mr. Blair resigned his seat in Parliament and a little later was gazetted as Chairman of the new Board of Railway Commissioners for Canada.

The Royal Commission on Transportation

It was announced in the Speech from the Throne on Mch 12th that the Government intended to appoint a Commission on Transportation and it was understood that this body would be composed of men intimately acquainted with the national interests in this respect and would have power to fully investigate existing conditions and requirements. On Mch 31st the Liberal press contained the announcement that Sir William Van Horne of Montreal, Mr. John Bertram of Toronto, and Mr. Harold Kennedy of Quebec would be the members of the Commission and on May 26th these appointments were officially confirmed with the substitution of the name of Mr. E. C. Fry of Quebec in place of Mr. Kennedy's—the latter being unable to leave his business interests. At the same time the Prime Minister informed the House that this Commission of experts would be authorized to prepare a comprehensive plan in regard to the development of Canada's waterway system.

Meanwhile, a Report to Counеil by the Hon. James Sutherland, Minister of Public Works, dealing with this matter, had been submittted on Apl 16th and adopted on May 15th. In this document he reviewed the problems affeeting the transportation of Canadian produce to the world's markets—the question of cheap and eonvenient routes; the confounding of Canadian goods and produets with those of another country; the transportation of western products to the sea and from the Atlantie to the Paeific; the movement of freight from the seaports to the European market; the eompetition of United States railways and vessels and ports with Canadian interests:

> It is obvious that before any satisfactory conclusion can be reached upon these questions a thorough and comprehensive inquiry should be made regarding the conditions of original shipment and the possibilities of improvement in the conditions surrounding such shipment. The storage requirements of lake, river and ocean ports; the harbour facilities of the inland lakes, rivers and the Atlantic and Pacific ports; the conditions with regard to the navigation of the St. Lawrence route; and, generally, any improvement, enlargement or other matters affecting the more economical and satisfactory uses of any Canadian channel of transportation by land or water, should be investigated.

The Minister, therefore, recommended the appointment of a Commission of eompetent and experienced experts, composed as named above, to obtain evidenee and information along these lines and to report their opinions and reeommendations to the Government. On July 13th, it was announeed in the Senate by the Hon. R. W. Scott that Sir William Van Horne had declined to serve on the Commission and on Aug. 27th, the Premier stated, finally, in the House of Commons that Mr. John Bertram would be Chairman of the Commission and that Mr. Robert Reford of Montreal with Mr. Fry would be the other two members. At Ottawa, on Dec. 16th, the Commissioners held their initial meeting and prepared for a prolonged tour through Canada with a view to the ultimate presentation of "some broad and eomprehensive plan" of transportation by water and rail—as the *Globe's* Ottawa correspondent put it. Six days later, Messrs. C. N. Bell of Winnipeg and J. X. Perrault of Montreal were announeed as Secretaries of the Transportation Commission.

The Question of Railway Taxation

Railways have never been seriously taxed in Canada. The Provinees of Manitoba and Quebee in reeent years have raised some small revenues from this souree, and Ontario has imposed a slight tax of $5.00 a mile. It remained for Mr. H. J. Pettypieee, M.P.P., to make the question a publie issue in the latter Province during 1903 by a vigorous and eontinuous presentation of the ease of what he eonsidered to be the people *vs.* the railways. He dealt largely with eomparisons in this respect and with examples in the United States, where many States raise their ehief local revenues through this form of taxation. In the *Canadian Magazine* for February he had an elaborate article upon the subject eommeneing with the

premise that railways were as much a legitimate object of taxation as were factories, wholesale houses, printing houses or any other industry. In Ontario, he estimated that the farmers paid $4.62 in taxes upon every $1,000 of capital while the Grand Trunk Railway paid 56 cents on every $1,000 of capital and other railways less than this. In Great Britain, in 1901, the total taxes on railways amounted to $21,000,000 or over $950 a mile while in the United States, as a whole, the total in 1900 was $47,415,000 or an average of $255 a mile. In one State (Massachusetts) the taxes went as high as $1,411 a mile.

Mr. Pettypiece went on to claim that the total railway wealth of Canada was $1,043,000,000 and that this paid less than $500,000 in taxes to the State. It ought, in his opinion, to be taxed $6,000,000 annually. In Michigan, the Grand Trunk paid $507 per mile or $1,345,071; in Ontario a total of $134,624. Yet passenger and freight rates were lower, he asserted, in Michigan than in Ontario. The matter was introduced in the Legislature, on May 6th, by Mr. Pettypiece in the form of a Bill to amend the Assessment Act by appointing a Provincial Board of Assessors to appraise the value of railway property. He spoke at length along the lines already indicated. The Premier, in following, declared that the time had come for Ontario to demand from the Railways some interest on the $30,000,000 of Provincial moneys loaned in the way of bonuses. "The crucial question, however, seemed to be whether the revenues of the railway companies had reached the point where taxation could be increased without forcing them to raise rates, and thus even up accounts by taking the money to be paid for taxes out of the pockets of the public." Mr. James Conmee suggested the point that nothing should be done to check the investment of money in railway enterprises and development. The Bill was read a second time and referred to a Special Committee.

To this Committee on May 15th, in connection with the Premier's general Assessment measure—which was afterwards withdrawn—Mr. I. F. Hellmuth, K.C., of London presented the other side of the question. Under its terms he claimed that the G. T. R., for instance, would be assessed for $75,000,000, taxed for $1,125,000 and made to pay $450 in municipal taxes for every mile of its road, or $56 for every acre of rural land held—more than the total value of the land. The same point applied, he said, to the C. P. R., the Canada Atlantic, the Canada Southern, etc. According to the two basic principles of taxation—the ability to pay taxes, and the benefit accruing from the expenditure of such moneys—Mr. Hellmuth argued as follows:

1. There was hardly a single Ontario road paying to original shareholders a dollar in return for their investment. The G. T. R. for instance, had only recently been able to pay a 2 per cent. dividend to second preference stockholders, and 4 per cent. to first preference stockholders. The provisions of the new Bill would cut out all possibility of payment of dividends to second preference holders.

2. The railways received absolutely nothing for the most part in return for taxes. They got no benefits from schools or roads for which most of the taxes went. Except as regards fire protection in the towns and cities, the railways would get no direct return for taxes paid.

3. The poorer the country through which railways ran and the sparser the population the dearer was the cost of construction and the less the profits; but yet the higher would be the taxation under the principle of the Premier's new Bill.

4. It was not fair to compare Ontario railways with English or American roads in the matter of paying taxes. In England the earnings were many times larger than in Ontario, having regard to the area of country covered. Besides, it was to be noted that the English principle was to tax railways in each parish only on the net profits derived from traffic in that parish. Apply this principle to Ontario and nearly all of the municipalities would have nothing at all on which to tax railways. In New York State there were nearly 8,000,000 people, and the extreme length of the State was but 440 miles. But in Ontario there was a greater track mileage scattered over a far larger area, while the population was only 2,000,000. Hence to argue from English or American examples was absurd.

If anything were done let it be on the basis of Provincial earnings. Mr. A. B. Aylesworth, K.C., followed upon the same line. On May 19th, a delegation from the farmers and municipalities appeared before the Committee and Mr. J. Lockie Wilson put their case as follows: "These railways, which we have bonused, are carrying American grain, which meets our grain in competition in Europe, at 5c. per 100 lbs. less for a long haul than they are charging ours for a shorter haul. They are, too, charging higher rates for both freight and passenger service than is being charged on American lines for a corresponding service. Railways have been bonused here as they have not been bonused in the United States; they charge higher rates for the same service here than are charged there. Surely we should not in addition to all this, exempt them from taxation here while they are forced to pay taxes in the United States." The proposed legislation was finally deferred to the next Session of the House.

MISCELLANEOUS TRANSPORTATION INTERESTS

Jan. 20.—The Brockville, Westport and Sault Ste. Marie Railway is sold by auction for $160,000 to a New York syndicate of capitalists. It was originally bonded and capitalized for $2,250,000.

Jan. 23.—A mass-meeting in Victoria passes Resolutions urging energetic steps for the development of Vancouver Island by further railway construction and appoints a Committee to aid in this object.

Feb. 2.—The freight agents of the Canada Atlantic Transit Company, controlling the vessels which carry the grain of the Canada Atlantic Railway between Parry Sound and Duluth, meet in conference at Ottawa.

Feb. 16.—In the Toronto *Globe* the Rev. C. W. Gordon (Ralph Connor) urges more railways for the West with a view to both unification and development.

Feb. 25.—The Hon. Mr. Roblin's Report to the Manitoba Legislature shows the completion during 1902 of seven branch lines of the C. N. R., totalling 200 miles.

Mch. 8.—The Hon. Mr. Prefontaine announces that the Government will shortly call for tenders for a fast Atlantic service of 4 steamers and a speed within 16 and 21 knots.

Mch. 10.—Mr. Thomas Tait, manager of transportation on the C. P. R., accepts the post of Chairman of the Board of Railway Commissioners of the State of Victoria, Australia.

Mch. 17.—Lord Strathcona is interviewed in London by the *Daily News* and deals with the desirability, necessity and excellent prospects of a fast Atlantic line between Great Britain and Canada.

Mch. 20.—The Victoria Board of Trade passes a Resolution endorsing the action of the Vancouver Board in trying to obtain railway rates which will enable Coast city merchants to compete on equitable terms as far west as Calgary, Edmonton and Lethbridge.

Mch. 23.—Sir Richard Cartwright states in the House of Commons that during 1902 Canadian vessels carried from Port Arthur, Midland, Parry Sound, etc., a total of 22,870,791 bushels of wheat as against 12,807,725 bushels carried by Foreign vessels.

Mch. 25.—The Hon. Mr. Paterson states in the House of Commons that the grain shipments from Port Arthur and Fort William in the season of 1901 were 14,565,200 bushels and in 1902, 36,201,861 bushels. Of these totals 4,674,190 bushels and 11,304,077 bushels respectively went to United States ports.

Mch. 27.—A deputation from Port Arthur, Fort William and North Bay waits upon the Premier of Canada to ask aid for the Ottawa and Georgian Bay Canal project. He points out that they have had a charter for ten years and have done nothing but ask the Government to build the Canal. The Government are carefully considering the matter.

Mch. 31.—The Hon. J. Israel Tarte, M.P., writes Senator Mackay urging Government aid to the Montreal Harbour. "In my humble opinion, the debt of the Harbours should not be increased. In other words, it is the duty of the Dominion Government to supply the money necessary to complete the equipment of our great national port. I will say more; the existing debt, which has been incurred for the purpose of the trade of the country at large should be assumed by the Federal Exchequer so that the Port of Montreal could be made as free as it is possible to make it."

Apl. 7.—A Dominion Marine Association is organized at a representative meeting in Ottawa. Mr. C. F. Gildersleeve of Montreal is elected President and a Resolution passed urging the abolition of Canal tolls and dues.

Apl. 15.—The House of Commons debates the Ottawa and Georgian Bay Canal project and the Premier declares that he has a good deal of personal sympathy with the project though it is impossible at the moment for the Government to do anything.

Apl. 17.—The Minister of Finance's Budget statement as to the removal of tolls on the Canals is warmly praised by Montreal shipping men.

Apl. 17.—An Ottawa despatch in the Toronto *Globe* states that the Ministerial members from the West, including the Hon. J. H. Ross of the Yukon, have assured the Government that they and their constituencies favour a through railway line to the Pacific owned by the State.

Apl. 27.—In order to encourage the building in Canada of more vessels of modern type the Government are stated in the *Globe* to have decided upon increasing the subsidy for the construction of drydocks from 2½ to 3 per cent.—not to exceed $20,000 per annum.

Apl. 27.—Charters are approved by the Railway Committee to the Kootenay, Cariboo and Pacific Railway running from Golden, B.C., to Fort George on the Fraser River and to the Coast-Yukon Railway running from the Coast to Dawson City through Canadian territory.

Apl. 30.—In answer to a question the Postmaster-General states in the House of Commons that, altogether, 56,087,072 acres of land have been voted to railways by Parliament and that 29,986,826 acres of land thus granted have been earned.

May 4.—In the House of Commons Sir William Mulock states, in reply to questions, that in Manitoba 6,476,403 acres and in the Territories 42,764,340 acres have been reserved for railway construction purposes. Of this number the Canadian Northern Railway are entitled to 30,330,000 acres.

May 22.—A joint meeting of the St. John City Council, Board of Trade and Labour Council declare in favour of placing the Harbour under control of a Commission.

May 26.—A measure, setting aside 20,000 acres per mile to pay for cost of construction on the Temiskaming Railway passes its 2nd reading in the Ontario Legislature and eventually becomes law.

May 26.—A debate upon general transportation conditions takes place in the House of Commons and the Premier announces the Government's intention to deal with the question of another transcontinental railway.

May 26.—In the Railway Committee of the Commons the Canada Atlantic Railway is given authority to construct a branch 300 miles from its main line, near Whitney, to Sault Ste. Marie and is given power to issue bonds on the present road to the extent of $14,000,000.

May 26.—A Company is given a charter by the Railway Committee to construct from Port Simpson across northern Canada to Fort Churchill on Hudson Bay.

May 27.—The Annual Report of the Quebec Central Railway is read in London and shows gross receipts for 1902 of $669,341, or an increase of $46,625, and working expenses of $467,621 or an increase of $45,456.

May 29.—At the annual meeting of the Quebec and Lake St. John Railway Company Mr. Frank Ross, who has been President since 1879, retires and is succeeded by Mr. Gaspard Le Moine.

June 2.—The Vancouver Board of Trade passes a Resolution in favour of "substantial aid" from the Dominion Government to the projected Coast-Kootenay Railway Company.

June 5.—Two tenders are received by the Dominion Government for the fast Atlantic Line project. One is from Messrs. H. & A. Allan and the other from Mr. J. G. Wilding of the British and North-Atlantic Steam Navigation Company, Limited, which is understood to be a part of the Morgan Merger. Neither offer is deemed acceptable by the Government.

June 12.—The Hon. Mr. Fielding presents and carries Resolutions in the House of Commons approving a Government loan of $3,000,000 to the Montreal Harbour Commission for purposes of local improvement. An Act based upon them eventually becomes law.

June 25.—The Hon. Mr. Latchford gives notice of a Resolution in the Ontario Legislature granting 7,400 acres of land per mile to the Canada Central Railway, running from the head of deep-water navigation on the French River through Sudbury for a distance of 70 miles. It eventually passes into law.

June 30.—The Trade and Navigation Returns show the tonnage of leading Canadian Ports as follows:

Port.	Vessels.	Tonnage.
Victoria, B.C.	1,326	1,234,434
Montreal	421	1,156,957
Halifax, N.S.	1,184	899,079
St. John, N.B.	1,432	749,710
Sydney, N.S.	3,361	541,455

July 1.—The Cunard Line withdraws from the agreement as to rates and sailing days made with the Morgan Syndicate.

July 12.—The Harbour Commissioners of Montreal entertain a large number of Ottawa Ministers, members of the Senate, the Commons and other representative men to a trip around the Harbour and at Luncheon.

July 29.—The Directors of the Montreal Street Railway Company announce the issue of $1,000,000 new stock for permanent works.

Aug. 3.—Mr. W. F. Maclean, M.P., speaks at length in the House of Commons in favour of the National ownership of railways.

Aug. 10.—Mr. W. F. Maclean moves an amendment in the House of Commons to the Railway Act proposing a maximum passenger rate of two cents a mile on Canadian railways. It is lost by 45 to 34 votes—Messrs. Oliver, Demers, Kendall, Christie and Turgeon being the Liberals who vote for the change.

Aug. 18.—Dr. Benjamin Russell, K.C., M.P., speaks at length in Parliament against the idea of Government-owned railways.

Aug. 18.—In the House of Commons Mr. R. L. Borden describes the Canada Atlantic Railway as running 342 miles from Depot Harbour on Georgian Bay to Coteau Junction; with a branch line in Vermont State of 57 miles; with an elevator capacity at Depot Harbour of 1,250,000 bushels; with a steamer service on the Lakes to Fort William, Chicago, Milwaukee and Duluth which had carried in the past season 19,000,000 bushels of grain; with gross earnings in 1902 of $1,816,946 and net earnings of $569,000, or 5 per cent. on its capitalization.

Aug. 19.—The Maritime Board of Trade, meeting at Charlottetown, passes a Resolution in favour of a fast Atlantic steamship Line.

Sept. 2.—A deputation from Toronto urges the Government to give aid to the projected Railway from Toronto to James Bay *via* Parry Sound and Sudbury.

Sept. 3.—Mr. J. Buntzen, the General Manager of the B. C. Electric Railway Company, is banqueted by the prominent citizens of Vancouver.

Sept. 5.—The Toronto *News* points out that in addition to the 22,000,000 bushels of grain shipped on Canadian vessels at Canadian Lake ports in the preceding year there were 21,000,000 bushels attracted from Duluth, Chicago and other United States ports over the Canadian routes.

Sept. 8.—The House of Commons discusses the Government's proposed yearly subsidy of $133,333 for a steamship service between Canada and France and the contract made with Messrs. Colombier Bros. at Bordeaux to that end.

Sept. 9.—A circular letter addressed to Philadelphia shippers reaches Montreal and from it the following is extracted: "The grain which was formerly handled by the North Atlantic ports and shipped through Duluth, Chicago and various lake ports is now being taken out of the United States by Canadian roads, shipped through Canada and put on ocean steamers at Montreal at three cents per bushel less than it can be done through New York or Philadelphia. Grain exporters and parties engaged in this business are very glad to handle it at one-quarter cent per bushel margin. So far as the export grain business is concerned, the North Atlantic ports of the United States might as well be wiped off the map."

Sept. 9.—Mr. C. N. Bell, Secretary of the Winnipeg Grain and Produce Exchange, states to the *Telegram* that in the grain fiscal year ending Aug. 30th, 1903, Winnipeg headed the list of grain centres with receipts of 51,833,000 bushels against Duluth with 42,406,923 bushels and Chicago with 37,940,953 bushels.

Oct. 6.—The Railway Subsidy Resolutions at Ottawa total $12,092,800, of which Ontario gets $2,569,600; Quebec, $4,278,400; New Brunswick, $780,800; Nova Scotia, $2,060,800; British Columbia, $1,299,200; Manitoba, $214,400; North-West Territories, $620,800; Yukon, $268,800.

Oct. 9.—The Buffalo (U.S.) *Times* has the following editorial statement: "Buffalo's grain traffic gradually is slipping away from her, and the worst of it is that it is going to Canada. For many years one of the chief industries at this port has been the transfer of

grain. It was the grain business that was responsible for the construction of almost half a hundred elevators. It was the grain business that gave employment to thousands of men in the docks. Canada has been getting the grain trade which Buffalo is losing and it looks now as if the business that has been diverted to the Canadian route cannot be brought back to Buffalo; because Canada has spent millions of dollars in improving her waterways and because some of the strongest and shrewdest men on the Great Lakes are behind the vessel companies which are carrying the grain from the head of the lakes to Montreal."

Oct. 16.—The Hon. Mr. Fielding announces in the Commons that the Allan Line are to withdraw two steamers from the St. John route to that of Halifax where they will be loaded with freight by the I. C. R. Protests follow from the City Council of St. John and on Nov. 11th from a mass-meeting of the citizens.

Oct. 17.—Mr. R. L. Borden draws the attention of Parliament to the non-establishment of a fast Atlantic line and moves the following Resolution which is rejected by 58 to 20 votes: "This House affirms its belief that great advantages would result to Canada as well as to the Mother Country from the establishment of a fast steamship service between the two countries and expresses its regret that no effective steps have been taken for that purpose by the present Administration." The Prime Minister declares "the inherent difficulties of the task" to be the reason.

Oct. 23.—In the House of Commons the Hon. Mr. Fielding moves and carries a Resolution guaranteeing $6,678,200 for the building of the Quebec Bridge, on which he states $1,416,394 had been already expended. The City of Quebec had given $300,000 to the project, the Province $250,000 and the Dominion had promised $1,000,000. The total estimated cost, including terminals, etc., is stated at $7,503,735.

Oct. 29.—Writing to the Toronto *News* the Hon. T. A. Brassey deals with the Fast Atlantic Line project and comes to the following conclusions:

"Halifax, like Sydney, possesses a magnificent harbour with deep water at the walls close to the terminus of the Intercolonial Railway. The selection of Halifax as the terminal port all the year round is the only satisfactory solution of the question of a fast direct mail service to Canada. As no ships have yet been built which can cross the Atlantic at a higher speed than 23 knots, a speed of 20 knots must be accepted in the first instance."

Nov. 6.—The Victoria Board of Trade passes a strong Resolution in favour of an all-Canadian railway to the Yukon.

Nov. 28.—From the first of the year to this date in 1903 the shipments of wheat, corn and oats from Montreal total 24,648,002 bushels as against 25,112,973 bushels from New Orleans and 38,510,186 bushels from New York.

Nov. 29.—The Vancouver City Council passes a long Resolution in favour of a railway from Kittimaat Arm to Dawson City, Y.T.

Nov. 30.—The Vancouver City Council approves an elaborate Report recommending an all-Canadian railway to the Yukon with bonuses in money or lands from the Dominion and Provincial Government.

Dec. 12.—It is stated that during the past week the Canada Atlantic Railway has carried from the West to tide-water 3,000,000 bushels of grain more than in the same week of the previous season and 25,000,000 bushels altogther.

Dec. 14.—Mr. Thomas Harding, of the Ocean and Inland Navigation Company, states that the removal of the Canal tolls has been a great impetus to Canadian transportation. "Of the 16,000,000 bushels shipped during the season from Port Arthur and Fort William fully 15,000,000 were carried by Canadian steamers."

Dec. 15.—In the presence of the Prime Minister and Lady Laurier the Chateauguay and Northern Railway from Maisonneuve to Joliette, is opened including the "Laurier" Bridge at Bout de L'Ile.

Dec. 16.—Sir Wilfrid Laurier and the Hon. Mr. Prefontaine receive and hear a deputation of some 75 gentlemen in Montreal who present the claims and needs of the Harbour Commissioners and the City.

Dec. 18.—The *Canadian Trade Review* of Montreal gives the following comparative figures as to the Hudson's Bay route:

	Miles.
Winnipeg, *via* Hudson's Bay to Liverpool.....	3,626
Winnipeg, *via* Montreal to Liverpool.....	4,228
Duluth, *via* Hudson's Bay to Liverpool.....	3,728
Duluth, *via* New York to Liverpool.....	4,201
St. Paul, *via* Hudson's Bay to Liverpool.....	4,096
St. Paul, *via* New York to Liverpool.....	4,240

Dec. 19.—Mr. G. Overend, of the Canada Atlantic Railway, makes the following statement to the Toronto *Star*: "The reports of the Canada Atlantic Railway, completed to-day, show that during the past season of navigation we carried through to Montreal from the North-West ten and a half million bushels of grain. This means two million bushels more than the Line ever handled in any one season of navigation and while it was being done the traffic in all other lines of freight was also being increased."

Dec. 31.—During the year the Allan Line of Steamships is stated to have carried from British ports to the United States and Canada 54,502 passengers and to have a fleet in being or building of 30 steamers of 158,026 gross tons.

Dec. 31.—The second annual Report of the Temiskaming Railway Commission shows a total expenditure to date of $2,020,092. The Commissioners estimate the total cost of the Railway at $3,332,560 for its 112 miles.

VII.—THE AGRICULTURAL INDUSTRY IN CANADA

General Agricultural Interests in 1903

Speaking in the Canadian House of Commons on Sept. 29th, of this year, Sir Wilfrid Laurier declared in eloquent terms that " a new star has arisen upon the horizon, a star not in the orbit of the American constellation, but a star standing by itself resplendent in the western sky, and it is toward that star that every emigrant, every traveller, every man who leaves the home of his ancestors to come and seek a home for himself, now turns his gaze." Perhaps the greatest element in the making of this unquestioned development had been the agricultural industry. Between the years 1896 and 1903 the exports of agricultural and animal products increased from $50,591,002 to $114,441,863 while the concurrent increase in population and the prosperity of the people involved a much larger comparative increase in production. The following table gives some details of a part of the increased export and of the corresponding import by Great Britain from all countries in the year ending Dec. 31st, 1902:

Product.	Canadian Export, 1896	Canadian Export, 1903*	British Import, 1902
Wheat	$5,771,521	$24,566,703	$131,682,505
Flour	718,433	4,699,143	43,545,701
Oats	273,861	2,583,151	24,534,429
Cattle	7,082,542	11,342,632	38,031,797
Cheese	13,956,571	24,712,943	31,207,111
Butter	1,052,089	6,954,618	99,902,612
Pork, bacon and hams..	4,446,884	16,029,269	92,650,146
Fruits	1,716,278	3,689,662	†9,360,946
	$35,018,179	$94,578,121	$470,915,247

In his annual Report for the year ending June 30th, 1903, the Hon. Mr. Fisher detailed some of his efforts to encourage and aid agriculture. They included the operation of several cool cheese curing-rooms for the purpose of illustrating methods; the careful inspection of food products when loaded on steamships; the management of a number of creameries in the North-West; the efficient working of Experimental Farms throughout Canada; the measure which passed Parliament on Aug. 13th, 1903, prohibiting the importation, manufacture, or sale of oleomargarine, adulterated butter, etc.; the continued promotion of cold storage facilities and cooled-air chambers in trans-Atlantic steamers; the establishment and inspection of refrigerator cars on the railways; educational work in the use and distribution of good seeds; the chicken-rearing and poultry-breeding stations established for the instruction of farmers, the inspection of fruit shipments, extension of Farmers' Institutes and the improvement of agricultural exhibitions or fairs.

* NOTE—It may be mentioned that where, in these and other statistics the year is given alone, it means the fiscal year ending June 30th.

† NOTE—Apples.

There was some legislation of importance to farmers during the Session of Parliament in 1903 and this was summarized by the *Weekly Sun* of Toronto, on Oct. 28th, as follows:

1. Provision for the protection of farmers' live stock by railway companies.
2. Making the procedure laid down by Provincial laws regarding drainage applicable to railway lands, and providing that the additional cost of constructing a drain, due to the existence of a railway, shall be borne by the railway company.
3. Providing that railway companies shall be compelled to pay damages for loss by fire caused by railway locomotives.
4. Provision for the appointment of a Railway Commission to regulate freight rates.

On Nov'r 4th a meeting was opened at Ottawa of experts in Dairy matters with Prof. J. A. Ruddick in the chair. Resolutions were passed in favour (1) of quoting the price of cheese and butter in fractions of tenths of a cent, rather than in the present miscellaneous fashion; (2) of three grades in cheese and butter instead of two; (3) of compelling cheese and butter makers, before conducting tests upon which the proceeds of milk are divided, to pass a prescribed examination and secure a certificate; (4) of improving the sanitation of factories and creameries and to that end compelling the taking out of a Provincial license; (5) of defining the duties of Instructors and extending the present system of syndicating factories for purposes of instruction; (6) of improving the facilities for curing cheese and of encouraging amongst dairymen the study of chemistry and bacteriology. The completion of the agricultural statistics in the Census returns of 1901 enables the following table to be compiled from the elaborate Provincial data thus collected:

Province	Land Area Acres	Area in Farms and Lots Acres	Wheat Acreage
Ontario	141,125,230	21,349,524	1,487,633
Quebec	218,723,687	14,444,175	139,826
Nova Scotia	13,483,671	5,080,901	16,334
New Brunswick	17,863,266	4,443,400	26,990
Prince Edward Island	1,397,991	1,194,508	42,318
Manitoba	41,169,098	8,843,347	1,965,200
North-West Territory	187,932,617	6,569,064	530,274
British Columbia	236,922,177	1,497,382	15,967
Total	858,617,737	63,422,301	4,224,542

Province	Oats and Barley Acreage	Total Value Live Stock	Value of Buildings, Implements and Machinery
Ontario	3,293,367	$131,827,762	$263,904,644
Quebec	1,454,166	58,488,457	129,352,098
Nova Scotia	98,797	10,603,624	27,372,124
New Brunswick	191,513	8,966,642	20,042,187
Prince Edward Island	169,035	4,878,980	10,561,524
Manitoba	713,530	25,902,201	32,219,345
North-West Territory	282,449	28,225,323	14,828,440
British Columbia	36,598	6,184,313	6,160,733
Total	6,239,455	$275,077,302	$504,441,095

Agriculture in Ontario during 1903

The 36th annual Convention of the Dairymen's Association of Eastern Ontario was opened at Ottawa on Jan. 7th by H. E. the Earl of Minto. The President, Mr. D. Derbyshire, in his address referred with pride to the $45,000,000 worth of cheese, butter and hog products which they had raised during 1902. On Sept. 9th, some 200 delegates were present in Toronto at the meeting of the Farmers' Association. Mr. J. Lockie Wilson was elected President in succession to Mr. C. A. Mallory and Resolutions were passed (1) opposing grants of public money to private corporations; (2) opposing any increase in the tariff; (3) calling for lower freight rates and two-cent passenger fares on the railways and approving the Pettypiece plan of railway taxation; (4) demanding Government inspection of the books of Loan Companies; (5) protesting against the Senate amendments to the Cattle guards clause in the Railway Bill at Ottawa; (6) endorsing public ownership of public utilities and approving the merit system of promotion in the Civil Service; (7) advocating direct legislation through the initiative and referendum and urging that public agricultural lands be only granted to *bona fide* settlers.

During the year ending June 30th, 1903, the live stock sold or slaughtered in the Province included 61,967 horses, 719,911 cattle, 727,850 sheep, 2,168,598 swine and 3,684,451 poultry. The horses held by farmers at that date numbered 639,581; the cattle 2,674,261; the sheep 1,642,726; the swine 1,977,386; the poultry 9,683,573. At the close of the year 1902 there were 2,879,972 acres of pasture land in Ontario, 356,251 acres of orchard and garden, and 14,028 acres of vineyards. The number of apple trees totalled 7,024,890 and the production 48,185,125 barrels. The production of the Province in 1902 was as follows:

Product.	Acres.	Bushels.	Value.
Fall Wheat	748,592	20,233,669	$14,305,204
Spring Wheat	303,115	6,048,024	3,673,166
Barley	661,622	21,890,602	9,872,661
Oats	2,500,758	106,431,439	37,038,141
Peas	532,639	7,664,679	5,441,922
Beans	53,964	670,663	905,355
Rye	189,318	3,509,332	1,772,213
Buckwheat	93,324	1,911,683	917,608
Corn	581,818	23,123,528	13,550,619
Potatoes	144,733	12,942,502	7,312,514
Carrots	8,625	3,227,161	403,395
Mangel-Wurzels	76,553	39,140,924	3,131,274
Turnips	136,725	71,740,204	7,174,020
Hay and Clover (tons)	2,646,202	4,955,438	40,386,820

The total field crops were valued at $146,421,171 according to the official Reports and the acreage was 8,677,988. The total value of farm property in Ontario at the close of 1902 was $1,044,894,332, or a steady annual increase since 1897 when the

value was $905,093,613. The figures for 1902 included land valued at $604,860,063; buildings valued at $237,289,668; implements valued at $62,199,787 and live stock valued at $140,544,814. The average value of the farm land per acre was $25.49 and, inclusive of other farm properties, $44.04. The cheese factories in 1902 numbered 1,127 with a production of $14,792,924. In October appeared the Census figures for 1901 regarding agriculture in Ontario. They showed an area of 166,951,636 acres, of which 25,826,306 acres was water surface. Of the former 15·13 per cent. was occupied as farms and lots and of this 85·14 per cent. was owned and the balance leased or rented. The value of farm products in that year was $109,182,192 for crops and $83,684,111 for animals or, combining the two, $1,040.19 for an average farm with a profit of 20·94 per cent. on the investment.

Agricultural Production in Manitoba

Early in March the Census figures for this Province were made public, and afforded somewhat minute details of production in the year 1901—preceding the marked expansion of 1902. They showed a total area of 47,188,298 acres, of which 6,019,200 acres comprised water surface. Of the land area 21·48 per cent. was occupied as farms and lots with a valuation for land and buildings of $113,283,261; for implements and machinery of $12,169,619; for live stock, $25,902,201; and for crops and animal produce, $24,451,255. The total value of farm property and produce was, therefore, $175,806,336. The average size of the farms in the Province was given as 277·96 acres, of which 125·57 acres was improved, and the average value of these properties was stated at $4,703.19.

The average value of horses on the farms was $96.19 per head; of milch cows, $33.52 per head; of other horned cattle, $18.87 per head; of sheep, $4.88, and swine, $6.89 per head. The extent of rented farms in the Province was only 769,254 acres with a rental value of $514,488. The average rate of wages for labour on the farms was $6.24 per week including board. The number of fruit trees in the Province was very small, and included 8,332 apple trees, 41,663 plum trees and 13,642 cherry trees. The live stock included 163,867 horses, 141,481 milch cows, 208,405 of other horned cattle, 29,464 sheep, 126,459 swine and 1,167,876 turkeys, geese, chickens and other fowls. The production of butter was 4,676,661 lbs., and of eggs, 5,038,062 dozen. The field crops were valued at $16,669,321 and the dairy crops at $2,792,606; the live stock sold during the year at $2,869,105, and the eggs produced a return of $605,534. The value of hired labour was placed at $2,615,111. These Government figures for 1901 gave a total valuation for crops, dairy products, cattle exported, hogs sold, etc., of $39,368,051. Those for 1902—the phenomenal wheat year—were $44,099,682.

The immense wheat crop raised in 1902 by the farmers of Manitoba caused early and frequent discussion of conditions and pros-

pects in the ensuing year. At a special meeting of the North-West Grain Dealers' Association in Winnipeg, on Jan. 13th, 1903, the operation of the present Grain Act was discussed at length in the presence of the Hon. Mr. Sifton, Minister of the Interior, and the following Resolution passed: "That the operation of the Manitoba Grain Act, as now in force, is detrimental to the best interests of the country in restricting and interfering in trade and commerce, and is manifestly unfair to those in the grain trade who have capital invested in elevators, and we, therefore, request that the Dominion Government have such legislation enacted at the coming Session of Parliament as will remove such restrictions and make the operation of said Act fair and equitable to all." It was submitted to the Minister, whose reply pointed briefly to the apparent divergence in the interests of the farmers and the elevator firms or middlemen. The best solution of the trouble, in his opinion, would be found in better transportation facilities.*

On the following day the annual Report submitted to the Winnipeg Grain and Produce Exchange drew attention to the Canadian Northern Railway having lowered freight rates on grain between Winnipeg and Port Arthur by two cents per 100 pounds and the Canadian Pacific Railway having refused to do so;† to the great scarcity of cars for hauling grain during the shipping season in 1902; and to alleged excessive charges imposed for storage at certain elevators. Speaking in Toronto on the preceding day, Mr. B. E. Walker, General Manager of the Canadian Bank of Commerce, told the shareholders of that institution something of the great progress being made by Manitoba and the Territories, where in 1901 the total grain crop had been 108,500,000 bushels, and in 1902, 117,309,000 bushels.

He described the quality of the grain as improving and the promised financial returns for the latter year as more than satisfactory. But he deprecated the insufficiency of elevator facilities, regretted the scarcity of farm labour, and referred to the distressing conditions caused by shortage of cars and haulage power. To the annual meeting at Toronto of the Canada Landed and National Investment Company, Limited, Mr. John L. Blaikie spoke in his Presidential address, on January 28th, of his previous prophecies as to these Western regions of Canada becoming one of "the great granaries of the world," and pointed to the rapid and striking verification of his hopes which was now in progress. "It is impossible to estimate the wealth that will be the result of industry and thrift on the part of agricultural settlers in those regions, but undoubtedly it will be immense, and will greatly contribute to the prosperity of Canada and all its varied industries."

In his address to the Winnipeg Board of Trade, at its annual meeting on February 3rd, President John Russell drew attention to

* NOTE—During the ensuing Session the Act was very largely amended.
† NOTE—Later in the year a reduction was made.

several new developments in an agricultural sense. During the past year he stated that United States millers had bonded a mill in Minneapolis under Custom House regulations, and had ground into flour for export some 500,000 bushels of Manitoba wheat! A large elevator had also been bonded there for the storage of Manitoba oats. He deprecated this loss to Canadian transportation interests. It was pointed out that, notwithstanding artificial difficulties, a considerable export of Manitoba and Territorial grain to Australia and New Zealand was growing up, and he urged certain reforms in elevator regulations so as to promote this trade. He also dealt with the practical monopoly in terminal elevators at Port Arthur and Fort William by the Canadian Pacific Railway and the Canadian Northern Railway, and urged that either the Railway Companies should afford facilities for the construction of terminals by private persons or that the Dominion Government should undertake the work in the interest of the Western farmer. The complex question of freight rates was dealt with at length. The Report of the Provincial Department of Agriculture was submitted to the Legislature by Hon. Mr. Roblin, on February 12th, and described 1902 as the most prosperous year experienced in the history of Manitoba. It was stated that "lands cropped for twenty years or over have given yields almost equal to those from land but recently brought under cultivation," and reference was made to the 25,000,000 acres of "rich, arable land" possessed by the Province. The Report continued as follows:

> It is difficult to estimate and record in tangible figures just what the present prosperity of the Province means. The measure of prosperity is not confined to the value of the agricultural products raised during the year, estimated at $50,000,000. This is a remarkable production for 41,000 farmers. There is another feature which is not only gratifying to the farming community, but which indicates increased confidence in the Province and permanency in its agricultural development. This feature is that within the past two years farm lands have doubled in value in all parts of the Province. Land held two years ago at $5, $10, or $15 an acre is to-day worth $10, $20 or $30 an acre respectively.

An important element in agricultural progress in the West for years past had been the encouragement of mixed farming so as to avert any complete dependence upon the wheat crop. Speaking at the meeting of the Manitoba Dairy Association in Winnipeg on February 19th, Mr. Premier Roblin referred at some length to this subject. "Our home markets and markets to the west of us have been our chief markets up to the present time, but we must now look to the East. The figures already quoted show that Great Britain can always take our surplus. Live stock on our farms would give employment to our hired help, consume our coarse grains and straw, and renew the fertility of our soil from year to year. With the entrance of dairying as a business would come larger numbers of pure bred stock, and they added to the wealth as well as the pride of the people." He stated that the Government were anxious to furnish the 28 creameries and 33 cheese

factories of the Province with the best possible instruction and information. The proposed College of Agriculture was referred to in this connection, and the Premier expressed the belief that not only because of equal profit, but also as a factor in relieving the labour problem, farmers should pay more attention to dairying.

Under date of June 12th, Crop Bulletin No. 68 of the Provincial Department of Agriculture was made public, and showed marked increases in the grain area of the Province. The total increase over 1902 was 547,640 acres, and included 402,933 more acres under wheat and 130,371 more acres under oats. In crops other than grain there was an increased area of 20,518 acres. On July 4th, Manitoba wheat was listed on the London Corn Exchange. Writing to the Toronto *Globe* on Aug. 8th, Mr. C. C. James, Ontario Deputy Minister of Agriculture, compared the production of Manitoba, Ontario and the American wheat States, in average bushels per acre, as follows:

	1902	1901		1902	1901
Manitoba	26·0	25·1	N. Dakota	15·9	13·1
Ontario	24·8	16·9	S. Dakota	12·2	12·9
Kansas	10·9	18·5	Nebraska	13·9	17·1
Minnesota	13·9	12·9			

The figures taken over a term of years and pitting the United States as a whole against Manitoba were greatly in favour of the latter. In the *Nineteenth Century* for August Mr. Robert Machray had an inspiring article upon Western progress. According to him Canada has the greatest wheat-producing area of any country in the world; it is inevitable that in a few years there will be ten times as many farmers in Manitoba as now and ten times the present production would mean 400,000,000 bushels of wheat; frost is inseparable from the best quality of wheat but no average damage by frost in Manitoba could equal the extra yield and quality; at Minneapolis, the great hard wheat market of the United States, the percentage of No. 1 hard in the wheat is only 1·09 while in Winnipeg it is 50·75. At the close of the year (Dec. 11th) the figures of grain and other production were given out. In 1901 the grain product had totalled 85,179,858 bushels, of which 50,502,085 bushels was wheat; in 1902 the total was 100,052,343, of which 53,077,267 was wheat; in 1903 the total was 82,576,519 bushels of which the chief items were as follows:

	Bushels.		Bushels.
Wheat	40,116,878	Flax	564,440
Oats	33,035,774	Rye	49,900
Barley	8,707,252	Peas	34,154

Though much below the phenomenal crop of 1902 it was considered a very good one on the whole. The average yield per acre was 16·42 bushels as against 26 bushels in 1902 and 25·1 in 1901.

During the year an acreage of 27,198 had yielded 4,757,000 bushels of potatoes and 12,251 acres had given 3,452,340 bushels of other roots. The poultry sold by the farmers numbered 88,726 turkeys, 47,256 geese and 388,050 chickens. The new farm buildings erected were valued at $2,961,752.

Agriculture in the Territories

The Commissioner of Agriculture in the North-West Territories issued a Bulletin on July 15th indicating the area under cultivation in the Territories as including 727,998 acres in wheat with an expected product of 15,042,000 bushels; 365,719 acres under oats with an expected product of 11,803,000 bushels; 42,445 acres under barley with an expected product of 1,116,300 bushels; 27,599 acres in flax with an expectation of 234,500 bushels. In 1902 the actual area and production had been as follows:

	Acres.	Bushels.		Acres.	Bushels.
Wheat	625,758	13,956,850	Barley	36,445	870,417
Oats	310,367	10,661,295	Flax	17,067	158,185

The final crop Report of the Territorial Government for 1903 appeared in March of the following year and showed a total acreage of 1,383,434, including 837,234 acres in spring wheat with a product of 16,029,149 bushels; 3,440 acres in fall wheat with 82,420 bushels; 440,662 acres in oats with 14,179,705 bushels; 69,667 acres in barley with 1,741,209 bushels; and 32,432 acres in flax with a product of 292,853 bushels. The area in crop, therefore, increased from 989,637 acres in 1902 to 1,383,434 in 1903 and the production from 25,646,747 bushels to 32,325,336.

Agriculture in the Province of Quebec

The Census returns of 1901 for this Province were issued on Nov. 14th and supplied some much-needed information as to its agricultural condition. Of the land area of 218,723,687 acres 6·60 per cent. was occupied as farms and lots and of this 93·18 per cent. was owned and the balance leased or rented. The value of land and buildings was placed at $350,550,154; of implements and machinery at $27,038,205; of live stock at $58,488,457; and of crops and animals, in that year, at $85,034,401. The value of the average farm and property was placed at $3,304.86. The average value of horses was $73.60, of milch cows $26.79 and other horned cattle $11.09, of sheep $3.63 and swine $7.71. The value of dairy products, including the milk and cream sold to cheese and butter factories, was $20,207,826 and there were then in operation 1,992 factories, of which 340 made both cheese and butter, 1,207 made cheese only, and 445 made butter alone. The cheese product was 80,630,199 lbs. worth $7,957,611, and the butter product was 24,625,000 lbs., worth $4,916,756. The total number of apple trees in the Province was 2,256,752, plum trees 364,280, cherry trees 394,090, etc., and the total yield of fruit 2,323,129 bushels. The principal products and live stock were as follows:

Products.	Bushels.	Products.	Bushels.
Wheat	1,968,203	Beans	61,376
Barley	2,535,597	Mixed grains	3,523,507
Oats	33,536,677	Potatoes	17,135,739
Rye	211,287	Other field roots	3,526,187
Corn	1,384,331	Flax	19,309
Buckwheat	1,849,596	Hay (tons)	2,581,823
Peas	908,656	Tobacco (lbs.)	7,655,975

Live Stock.	Value.	Live Stock.	Value.
Horses	$24,164,149	Swine	$3,142,925
Cattle	27,387,395	Poultry	1,166,314
Sheep	2,376,471		

In his annual Report, submitted to the Lieut.-Governor on Feb. 2nd, the Hon. Adelard Turgeon, Minister of Agriculture, pointed to the expenditure by the Government upon the dairy industry of $166,441 since June 30th, 1897; to their intention of building a new School for educating cheese and butter makers; to their grants for cheese-curing rooms, improvements in the breed of live stock and the immediate establishment of six new experimental fruit stations; to the steady increase in farmers' clubs from 512 with 39,822 members in 1899, to 544 clubs, with 45,622 members at the beginning of 1902; to the annual expenditure of $10,000 upon the purchase of road machines and to the continued importation of fruit trees at an average cost of $60,000 a year. On Mch 18th a Convention of the Agricultural Societies and Clubs of the Province was held at Quebec with 500 delegates in attendance. In addressing the Convention the Hon. Mr. Turgeon urged improvements in agriculture and horticulture along the following lines:

1. By the holding of meetings for the discussion of and the listening to lectures upon the theory and practice of a perfect system of cultivation.
2. By encouraging the circulation of journals of agriculture.
3. By offering prizes for the best essays on questions of theoretical or practical farming.
4. By importing, or procuring in any other way, animals of superior breeds, new varieties of plants and seeds and seed-grain of the very best qualities.
5. By organizing ploughing matches, competitions for growing crops, and competitions for the best cultivated farms.
6. By holding Exhibitions and by awarding prizes for the breeding or raising of animals of superior breed, the invention or improvement of agricultural machinery or implements, the production of all kinds of grain and vegetables and for the excellence of all agricultural products and of the labours of the farm.

Agriculture in New Brunswick

According to the Census returns for 1901 as made public on Apl 8th, the land area of New Brunswick was 17,863,266 acres, of which 24·87 per cent. was occupied as farms or lots. Of this portion 96·10 per cent. was owned and the balance leased or rented. The value of this land and the buildings on it was $38,708,938; that of implements and machinery $3,662,731; that of live stock

$8,966,642; and that of crops and animal products in 1901, $12,894,076. The average value of a farm property of 126 acres was $1,440.93 with products averaging $360.09 or 24·99 per cent. on the investment. The average value of horses was $68.17, milch cows $20.68, other horned cattle $10.07, sheep $15.21 and swine $11.13. Dairy products, including the milk and cream sold to cheese and butter factories, produced $203,552. The factories and creameries in 1901 numbered 66. There were 675,364 apple trees in the Province, 33,271 plum trees, 34,570 cherry trees, etc., and the total fruit yield was 573,509 bushels. The following table gives the product of the farms and the numbers of live stock in that year:

Product.	Bushels.	Product.	Bushels.
Wheat	381,699	Peas	16,808
Barley	99,050	Beans	13,573
Oats	4,816,173	Mixed grains	27,706
Rye	2,809	Potatoes	4,649,059
Corn	12,509	Other field roots	2,070,486
Buckwheat	1,390,885	Hay (tons)	512,584

Live Stock.	Numbers.	Live Stock.	Numbers.
Horses	61,789	Swine	51,763
Cattle	227,196	Poultry	714,131
Sheep	182,524		

After traversing a portion of this Province Mr. W. Downie, the new C. P. R. Divisional Superintendent, told the St. John *Sun* of May 9th that: "I am wonderfully pleased with the whole country I have passed through, especially the St. John Valley, where the fertile farms were a revelation to me. I have seen nothing like it for over seventeen years since I left the middle West, for my time since then has been largely spent among the mountains." In recent years the Agricultural Department of the Government have devoted much attention to encouraging dairying, the establishing of roller mills, fruit farming, etc., and many addresses were delivered by the Hon. L. P. Farris in this connection. His Report for 1902 showed the following Provincial production:

	Acres.	Bushels.		Acres.	Bushels.
Wheat	22,602	453,640	Turnips	5,356	2,622,726
Oats	171,913	5,313,349			
Buckwheat	63,022	1,501,731		Pounds.	Value.
Barley	4,235	106,701	Cheese	1,209,890	$120,021
Potatoes	35,535	4,156,638	Butter	750,911	153,063

Fruit Farming in Canada

Summarizing the Provincial Census returns of 1901 Canada had a total of 15,099,683 apple trees, 1,302,398 peach trees, 965,999 pear trees, 2,418,193 plum trees, 1,288,814 cherry trees and 2,783,589 grape vines. In the rich Niagara district of Ontario, in the beautiful Annapolis Valley of Nova Scotia, in the fruit lands and valleys of British Columbia, and in various parts of other Provinces

she possessed almost unlimited potentialities for fruit culture. During 1903 a pronounced and growing interest was shown in the matter. The Fruit Growers' Association of Prince Edward Island met on Feb. 10th-11th at Charlottetown with President, the Rev. A. E. Burke, in the chair.

In his address Mr. Burke congratulated the Association upon the steamship facilities recently provided by the Federal Government, the coming Railway Commission and the Instructors in fruit farming, etc., who had been appointed. Professor J. W. Roberston also spoke and Resolutions were passed urging the Department of Agriculture to arrange a Convention of all the Fruit-Growers' Associations of Canada at Ottawa; dealing with the growing importance of the fruit industry and the necessity of united and uniform efforts for needed legislation; urging the proper protection of forests and the appointment of a Federal Commission to look into the subject; drawing attention to the fraudulent sales of nursery stock in the Province and requesting the Ottawa Department to devise some means of checking such operations. At the other end of the Dominion, on Feb. 4th, Mr. J. R. Anderson, Deputy Minister of Agriculture in British Columbia, made the following local reference to the industry:

> Fruit growing in British Columbia is coming to be one of our profitable industries. We had a big crop last year and shipped a considerable portion of it to markets outside the Province, as well as supplying portions of our own territory that have hitherto drawn their fruit from districts farther south or east. The greatest drawback to the success of our industry is the poor packing of the fruit. This hinders the sales and causes British Columbia fruit to fetch lower prices in Eastern and European markets than some of the Washington fruit growers are getting for fruit that is really inferior to ours.

The Fruit Growers' Association of the same Province met at Victoria on Mch 5th with Mr. J. C. Metcalfe in the chair. In his opening address he pointed to their recent experiment of sending some car-loads of fruit into the Territories and to the consequent demonstration of the vast and expanding fruit markets there available and for which California was already competing. He urged the planting of larger areas in fruit varieties suitable to the localities; the growing of only the best and the giving of greater attention to details; and improved transportation in the form of better cars, shorter time *en route* and stricter attention in transit. Writing to the Toronto *Globe* on Sept. 12th, Mr. H. E. Turtle of Fonthill, with evident knowledge, urged Canadians to cultivate the English fruit market:

> Little seems to be known here of the enormous exports to the British Isles of Californian peaches, pears, and even plums. By careful organization the apparently impossible has been accomplished and, one is compelled to admit, done extremely well. Refrigerator cars across the States, refrigerator chambers on fast liners from New York, attention to the golden rules given above, have opened for Californian fruit-shippers an extensive market at good prices. Peaches, grapes, and figs are also sent

to England from Cape Colony, 21 days' water journey, and arrive in first-class condition. Canada, with fruit of better quality, and some days nearer the same market, is content with, to quote this week's prices here, 25 to 35 cents a basket for peaches and nothing at all for plums.

The 48th annual meeting of the Ontario Fruit Growers' Association was held at Leamington on Nov. 24th with Mr. W. H. Bunting in the chair. In his address he declared this to be a time for the fruit-growers to be up and doing if they were to meet the demand from the Old Country. They were now able to supply the wants of Canada and the great need now was not production so much as better transportation and packing facilities. Various similar bodies throughout the Dominion met during 1903 and aided in the general progress of the industry.

MISCELLANEOUS AGRICULTURAL INTERESTS

Jan. 1.—The chattel mortgages against farmers in Ontario are officially stated at 7,193 in number and $2,616,538 in amount.

Jan. 13.—Mr. W. Albert Hickman, B.SC., addresses the Royal Colonial Institute in London on "The Canadian-West and North-West." Lord Strathcona presides and speeches follow from Mr. W. T. R. Preston, Sir Alfred Jones and others.

Jan. 16.—The Western papers publish the Prospectus of the Eastern and Western Land Corporation, Limited, with a capital of $1,000,000 and with Mr. Thomas Long as President and the Hon. George E. Foster and Senator Watson as Vice-Presidents. Within a month the stock is all taken up and a block of 125,000 acres of land sold at a price largely in excess of what was paid for it.

Jan. 22.—The following table of production is republished from the *Mark Lane Express* and shows the agricultural changes of 30 years :

Wheat Production in	1872. Bushels.	1902. Bushels.
France	320,000,000	336,000,000
Austria-Hungary	72,000,000	200,000,000
Italy	136,000,000	120,000,000
Germany	88,000,000	160,000,000
Russia	240,000,000	592,000,000
India	256,000,000	240,000,000
Roumania	40,000,000	72,000,000
Australasia	24,000,000	40,000,000
United States	232,000,000	664,000,000
Canada	24,000,000	96,000,000
Total	1,432,000,000	2,520,000,000

Feb. 3.—The Prospectus of the British-Canadian Wheat Raising Company with a capital of $1,000,000, is issued in London. Its Directors include the Hon. T. Mayne Daly, Messrs. H. R. Cameron and William Johnson of Winnipeg, and Hon. T. Chase Casgrain, M.P., and Messrs. E. H. McHenry, and J. R. Browne of Montreal. Owing to the extravagant claims made in the Prospectus they all retire on Apl 15th with the exception of the last-named.

Feb. 4.—The Patrons of Husbandry, or "The Grangers," meet in Toronto and are addressed by their President, Mr. Jabel Robinson, M.P., at length. He favours moderate protection but objects to tariff tinkering and to the petting and pampering of strong industries;

hopes that the coal mines will be kept out of the hands of monopoly and for the people; denounces political corruption and thinks it should be a misdemeanor to subscribe to an election fund; supports Prohibition and objects to the cry of "Canada for the Canadians" and asks how we would like to hear one of "England for the English"; urges a rural free-mail delivery once a day.

Feb. 4.—The first Canadian Spring Stallion Show is opened in Toronto. Principal Mills of Guelph makes the following statement: "He regretted that there were so many ill-bred, ill-formed, ugly-looking horses in the country that were worth but little when offered for sale. It was almost impossible to get a good, strong, nice-looking horse of 1,200 or 1,300 pounds, with good bone, good feet and fair action, and he could not satisfactorily account for that state of affairs."

Feb. 24.—The Report of the Manitoba Lands' Department shows the sale of 290,799 acres during 1902 at a price of $1,057,763.

Mch. 3.—The Grain Growers' Association of Manitoba meets at Brandon and passes Resolutions urging certain amendments to the Grain Act, greater privileges to farmers in loading cars at elevators, etc., and more and better equipment on the railways. They also approve the proposed Railway Commission, ask an inquiry into the alleged Western combine in lumber, coal and wheat, urge a better enforcement of the Manitoba Grain Act and endorse every effort to obtain an outlet *via* Hudson's Bay for the products of the West.

Mch. 4.—The Central Farmers' Institute of British Columbia meets at Victoria and passes Resolutions in favour of the centralization and grading of rural schools; asking the Government to enforce the Act as to the spraying of orchards; urging the appointment of a patrol in the upper country to prevent the stealing of cattle; asking that the duty be taken off quassia chips and whale oil; urging some Government expenditure upon the conservation of water in the dry belt; and suggesting the establishment of an experimental farm in the dry belt and a station on Vancouver Island.

Mch. 13.—The Prince Edward Island Dairy Association meets at Charlottetown and passes Resolutions asking the Government for power to prevent useless and detrimental multiplication of cheese and butter factories; declaring the establishment of these industries to be a great boon to the farmers; and asking that all dairy butter and cheese be subject to Government inspection at the port of export.

Mch. 15.—The Hon. G. H. Murray presents to the Nova Scotia Legislature the annual Report of the Department of Agriculture. He draws special attention to the good work of the Travelling Dairy with its 171 meetings and attendance of 6,230; to the official planting of two orchards in each county of the Province; to the increasing number of agricultural societies and their 163 meetings in 1902 with an attendance of 9,332.

Mch. 25.—The Winnipeg *Free Press* gives the total sale of lands in the West, in 1902, at 2,201,795 acres for $7,746,958. This includes the Hudson's Bay Company, the C. P. R., the Manitoba and South Western Company, the Qu'Appelle and Saskatchewan Company and the Calgary and Edmonton Railway.

Mch. 27.—Mr. W. A. Campbell, a Canadian, of Portland, Oregon, buys 30,000 acres of land in the Vermilion River Valley. "I have," he says to the Winnipeg *Tribune*, "visited many fine agricultural countries but I never knew of one where the possibilities seemed so great."

Apl. 9.—The Prospectus of the Ontario and Saskatchewan Land Corporation, Limited, with a capital of $1,000,000 and a Directorate

very similar to that of the Eastern and Western Corporation, as above, is published.

Apl. 24.—The Crown Lands Report in Ontario shows a sale or lease of lands for various purposes aggregating 104,436 acres at $92,163.

June 11.—The Eastern Townships region of Quebec suffers from a very severe drought.

June 17.—Some 20 Editors of United States Agricultural papers arrive in Winnipeg on a tour of the Canadian-West.

June 27.—Mr. George Harcourt, B.S.A., of Regina, is appointed Superintendent of Fairs and Institutes in the North-West Territories.

June 30.—The C. P. R. Land Department shows the sale of 2,639,529 acres in the fiscal year as against 1,566,454 acres in 1902 and at a price of $9,693,950 compared with $5,145,842.

June 30.—The Canada North-West Land Company shows sales of 198,070 acres at $973,106 for the fiscal year as against 328,918 acres at $1,044,900 in 1902.

June 30.—It is stated that from Sept. 1st, 1902, to date, the total grain inspected in Manitoba was 53,579,700 bushels. Of this 38,650,600 bushels of wheat was handled by the C. P. R. and 11,065,000 bushels of wheat by the Canadian Northern. Of the total 41,419,000 bushels went by Fort William and Port Arthur.

Aug. 24.—Speaking in the House of Commons the Hon. Mr. Fisher, Minister of Agriculture, gives the following picture of future production in Manitoba and the Territories in connection with the G. T. P. project: "He estimated that while there were 63,310,000 bushels of wheat produced there in 1901, in 1906 there would be 70,300,000 bushels, and in 1911 117,800,000 bushels. It would be 1908 before the Railway was built and probably 1911 before it was in good running shape. By that time, he anticipated, in addition, 18,824,000 bushels of barley and 81,400,000 bushels of oats, besides 1,240,000 horses, 925,000 milch cows and 2,500,000 beef cattle. Of these 100,000,000 bushels of wheat would be available for export and 4,000,000 bushels of oats and 250,000 head of cattle. This meant 165,000 carloads, or fifteen trains per day of thirty cars each, every day in the year, compared with an average of four trains of thirty cars daily during the last three years.

Sept. 2.—The Canadian Horticultural Association meets in Toronto and President Thomas Manton urges the better payment of gardeners, closer and continuous attention by young men to this as a permanent occupation and the early initiation of a fast Atlantic freight service.

Sept. 9.—The total elevator and warehouse capacity of Manitoba and the Territories is placed by the Winnipeg *Free Press* at 40,000,000 bushels.

Sept. 12.—A heavy storm of wind, rain and snow breaks over the North-West of Canada as well as of the United States. In the former region the damage to crops is variously reported but turns out not to be serious.

Sept. 17.—The Toronto *Globe* vigorously protests against the Senate's amendments to the proposed cattle guard measure from the Commons.

Sept. 18.—The first Yukon Exhibition closes at Dawson City after having a most successful career.

Oct. 7.—Despatches from Prince Edward Island indicate a year of unexcelled prosperity for the farmers. Its grain and potatoes, eggs, horses and other live stock, and pork raising in particular, have been most profitable elements in this prosperity.

Oct. 8.—Mr. A. G. Seyfert, United States Consul at Stratford, pays the following tribute to local agricultural conditions: "The County of Perth is the pioneer county in Canada in the adoption of modern dairying methods. Many of the factories are models

of scientific cheese making, and their products have secured a reputation during the past few years as being among the very best in the world. Farmers who furnish the milk are reaping the benefit of these progressive operations and many of them have become independently rich as the result."

Oct. 19.—It is announced that Mr. W. J. Palmer, B.S.A., Manager of the City Dairy Company, Toronto, and a graduate of the Ontario Agricultural College, has been appointed Director of Agriculture of the Orange River Colony, South Africa, at $6,000 a year.

Oct. 21.—Mr. J. J. Hill, the United States Railway magnate, delivers at Bismarck, N.D., a bitter speech against Manitoba which arouses criticism and natural resentment throughout the Canadian West. "I am not saying much about the area of the land up there, and I am not so much frightened about their climate or the quality of their soil. They are near where Sir John Franklin met his misfortune, that is somewhere near the North Pole. I have seen fields of their wheat and it was some of the handsomest wheat I ever saw and it would not yield a bushel to the acre. It is a handsome growth with nothing in it. I knew these things when I was interested in the Canadian Pacific. Our people who have gone there will, a great many of them, come back." Telegrams and inquiries from Winnipeg as to the accuracy of the report are unanswered.

Oct. 28.—It is announced that Mr. F. R. Marshall, a graduate of the Ontario Agricultural College, has been appointed Associate Professor of Animal Husbandry in the Texas Agricultural and Mechanical College.

Oct. 31.—It is stated that Mr. F. W. Hodson, Dominion Live Stock Commissioner, has been offered a position in Pennsylvania at $6,000 a year and Mr. G. C. Creelman a similar position in Texas.

Nov. 11.—A meeting of prominent live-stock men in Toronto discuss with some resentment the regulations and arrangements of the St. Louis Exposition, in connection with Canadian exhibits, and pass the following Resolution:

"Resolved: that it is not advisable to make an exhibit of any breed of live stock at the St. Louis Exposition unless the present restrictions as applied to the importation of pure blood animals into the States from Canada can be greatly modified. We are of the opinion that it would be much better to expend any moneys that can be afforded by our Government in making an exhibit at home and in the systematic encouragement of the breeding of live stock that would equal or excel any exhibition of the kind on the continent. Another exception that we take is to the fact that in the St. Louis prize list no recognition is taken of any Canadian stud or herd book, while the books of many other countries are duly and properly recognized."

Nov. 19.—Writing to the St. John *Telegraph*, Mr. W. W. Hubbard, the agricultural expert, asks a very pertinent question: "Is it good business for us to train up men to be skilled scientists in horticulture, in stock husbandry, in dairying and in other lines, and then so soon as they demonstrate their usefulness to the country to permit the best of them to leave us to build up the business of our rivals?"

Nov. 28.—Many Canadians attend and exhibit at the 4th International Live Stock Exposition at Chicago. They win a large proportion of the prizes from both the United States and Great Britain exhibitors. In sheep and hogs, Clydesdales and shorthorns, Canada is specially distinguished.

Dec. 2.—The closing of a sale by the Canadian Northern Railway of 50,000 acres, through the Saskatchewan Land Company, is announced at Winnipeg.

Dec. 21.—It is stated that Mr. J. E. Seagram, M.P., has purchased for 1,000 guineas the three-year-old colt Persistence from the King's stables. He is a son of Persimmon, the Derby winner.

Dec. 31.—President James Mills, M.A., LL.D., submits to the Government his annual Report regarding the Ontario Agricultural College at Guelph. He describes its objects as the education of young men for life and work on the farm and the doing of useful experimental work in connection with various agricultural problems. He refers to the completion of the buildings presented to the College by Sir W. C. Macdonald and states that the total number of registered pupils in 1903 was 728, of whom 205 came from Ontario, 42 from other parts of the Dominion, 19 from the Argentine Republic, 10 from Australia to Uruguay and the others scattered. 16 Graduates receive the degree of B.S.A.

Dec. 31.—According to Bulletin No. 8 of the British Columbia Bureau of Provincial Information, the total amount of fruit shipped by the C. P. R. from that Province in 1903 was 2,992 tons valued at $500,000, while the dairy output was 967,869 lbs. of butter valued at $275,000. Other agricultural produce is valued at $2,500,000.

VIII.—MINERAL RESOURCES AND PRODUCTION

Statistics of Canadian Mineral Production

According to the summary issued on Feb. 23rd by Mr. Elfric Drew Ingall, M.E., of the Section of Mines * in the Geological Survey at Ottawa, the mineral production of Canada in the past year of 1902 was $64,970,708 as compared with $66,712,-708 in the previous year and $64,505,137 in 1900. The falling-off was due not only to a decrease of $3,500,000 in the Yukon output but also to a considerable lowering in values of all metallic minerals other than nickel. There was a large growth in both the coal and coke industry. The total of the metallic products showed a falling-off of over 15 per cent. as compared with 1901 while the non-metallic class had, meanwhile, increased over 20 per cent. Gold was 36·17 per cent. of the total production in 1901 and 31·92 per cent. in 1902; coal was 17·99 per cent. in 1901 and 23·92 per cent. in 1902. The following table gives the final official figures of the chief products in 1902:

Metallic.	Value.
Gold	$21,336,667
Copper	4,511,383
Nickel	5,025,903
Iron Ore	695,847
Pig-iron	1,043,007
Non-Metallic.	
Coal	$14,478,181
Coke	1,519,185
Asbestos	1,148,319
Gypsum	359,277
Limestone	219,295
Mica	135,904
Mineral Waters	100,000
Natural Gas	195,992
Petroleum	951,190
Pyrites	138,939
Salt	292,581
Cement, Natural and Portland	1,127,550
Granite	210,000
Pottery	200,000

Metallic.	Value.
Lead	$ 934,095
Zinc and Platinum	7,072
Silver	2,238,351
Total	$35,792,325
Non-Metallic.	
Sewer Pipe	$ 301,965
Sands and Gravel	119,120
Terra Cotta	276,241
Lime	892,000
Bricks	2,593,000
Building Stone	1,900,000
Tiles	250,000
Miscellaneous	364,733
Total Non-Metallic	$27,773,472
Estimated value of products unspecified	300,000
Total Metallic and Non-Metallic	$63,865,797

Mines and Minerals of Ontario

Under date of April 30th, 1903, Mr. T. W. Gibson, Director of the Provincial Bureau of Mines, issued the twelfth annual Report of that institution. The statistics were for the year ending December 31st, 1902. Mr. Gibson commenced by describing the tardy development of mining in Ontario as partly due to the lack of railways

* NOTE.—Subject to revision, but practically a very close approximation to the final figures.

running into the mineral lands of the Province, and instanced the opening up of the Sudbury nickel fields and the Michipicoten iron ranges as results of the growth of transportation facilities. This more favourable condition for mining operations was steadily expanding. In 1902, he pointed out, 58 joint stock mining companies had been formed under Provincial laws, with an authorized capital of $48,650,000, as compared with 47 companies in 1901, having an authorized capital of $27,716,000. There was a marked reduction during the year in the sale of Crown mining lands, from 11,302 acres in 1901 to 3,985 acres in 1902. The amount received for the latter sales was $8,202, while the mining lands leased covered 25,549 acres, and realized $25,288.

The total production of minerals in Ontario during 1902 was $13,391,634 as against $11,831,086 in 1901, and $9,298,624 in 1900. That of nickel increased by $350,991 in value over the preceding year, and that of steel by $1,262,751. There were slight decreases in the production of pig-iron, brick and petroleum. Building-stone increased by $170,000, Portland cement by $352,966, and iron ore by $344,017. The following table affords a general view of the mining industry in this Province during 1902:

PRODUCT.	Value.	Employees.	Wages.
Metallic.			
Gold	$ 229,828	726	$ 343,984
Silver	58,000	50	36,000
Copper	680,283	1,731	972,909
Nickel	2,210,961		
Iron Ore	518,445	388	228,534
Pig-iron	1,683,051	1,114	510,107
Steel	1,610,031		
Zinc Ore	11,500	20	5,750
Miscellaneous	400	3	81
	$7,002,499	4,032	$2,097,365
Less value domestic iron ore and domestic pig-iron converted into steel	745,000		
Net value Metallic output	$6,257,499		
Non-Metallic.			
Arsenic	48,000	(a)	(a)
Tile	199,000	3,183	746,809
Brick, all kinds	1,597,171		
Building-stone	1,020,000	1,650	570,000
Carbide of Calcium	89,420	57	28,965
Cement, Natural rock	50,795	62	18,550
" Portland	916,221	665	277,588
Corundum	83,871	95	34,674
Lime	617,000	890	248,000
Mica	102,500	110	24,100
Natural Gas	199,238	107	55,000
Pottery	171,315	135	36,400
Petroleum	1,431,054	323	169,398

(a) NOTE.—Included in gold.

	Value.	Employees.	Wages.
Salt	$ 344,620	198	$ 76,154
Sewer Pipe	191,965	86	38,508
Miscellaneous	71,965	189	37,715
Total Non-Metallic	$7,134,135	*7,750	$2,361,861
Add Metallic	6,257,499	4,032	2,097,365
	$13,391,634	11,782	$4,459,226

Nickel remained the chief mineral product of Ontario in 1902 with an increase of $350,000 in value over 1901. The producing Companies were the Canadian Copper Co. at Copper Cliff, the Mono Nickel Company at Victoria Mines, and the Lake Superior Power Company at the Sault. There was a slackening in the output of the first-named owing to its affiliation with the International Nickel Company which controlled the refining facilities in the United States and also certain nickel mines in New Caledonia. In the Report of the Bureau of Mines, already quoted, there was an elaborate study of the Sudbury Nickel deposits by Prof. A. P. Coleman; of the manufacture and uses of Peat fuel by Mr. W. E. H. Carter; and of the Ontario Iron ranges by Prof. W. G. Miller, Provincial Geologist.

The iron ore raised in 1902 was 359,288 tons as compared with 27,400 tons in 1898. The bulk of this came from the Helen Mine in Michipicoten. In pig-iron the total product between 1896 and 1902 was $6,301,674 and the Algoma Steel Company's plant was in operation for part of the latter year. At Collingwood the Cramp Steel Company did a good deal of building during 1902 in its steel plant and steel finishing mills, etc. On May 28th the *Globe* stated that there were then seven smelters in operation in the Province. On Sept. 15th the Director of the Bureau of Mines announced that the output for the first six months of 1903 was $2,366,287 showing a decrease of half-a-million over the same period in 1902. An interesting report came from Northern Ontario (*Globe,* Sept. 25th) written by Mr. J. M. Bell, who was in charge of an exploration party sent out in search of coal:

> In all, at three distinct points, boring operations were carried on, but at no place were these successful save at the Blacksmith Rapids, and even there not comparable with the Someska. The deposit occurring at this point is too extraordinary to be discussed in the compass of this letter but, in brief, it may be said that soft coal of excellent quality occurs on both sides of the Abittibi River, and sometimes of great thickness. At several points it was 24 feet thick and, if I remember rightly, it appears continuously, as shown by our test pits, for some 350 feet on the west side, and higher up on the same shore for about as much again.

In this connection, on Nov. 11th, the Provincial Government, by Order-in-Council, withdrew from sale, lease, etc., a belt of land ten miles wide on either side of the Temiskaming River in the

* Note—In this table on page 12 of the Bureau of Mines Report there is an error of $8.00 in the addition.

Township of Widdifield, on the ground of important discoveries in nickel, cobalt, silver and arsenic. The nickel ore was stated to carry 44 per cent. of nickel and its value may be understood by the fact that at Sudbury 5 per cent. was considered very rich. On Nov. 23rd the Toronto *News* had an elaborate appeal for the co-operation of the Imperial and Canadian Governments in securing control of sufficient nickel lands to supply direct the needs of the British Navy instead of allowing production to be in the control of United States corporations.* Speaking to the press at Montreal, on Dec. 17th, Mr. R. G. Leckie of Sudbury, and of the International Nickel Company, stated that Canada now produced half the nickel consumed in the world and that his Company owned many of the richest properties in the Sudbury nickel belt and were producing 700 tons a day. They had just received an order from Pennsylvania for 15,000 tons of nickel steel rails and this, he thought, might revolutionize the present rail conditions.

Mining Affairs in Nova Scotia

The Mining Society of this Province met at Halifax on Feb. 19th with President George W. Stuart in the chair. Resolutions were passed in favour of a Commission to be appointed by the Government to inquire into the subject of Technical education; of endowing a Society scholarship for one year in some suitable institution; and of the Provincial Government bringing Dr. Haanel, the Dominion Superintendent of Mines, to Nova Scotia for the purpose of examining and reporting upon local mining practices. Mr. Cornelius Shields of Sydney was elected President for the ensuing year. The Report of the Department of Mines for Nova Scotia was submitted to the Legislature by the Hon. Mr. Drysdale on Mch 7th. It showed the gold product in the fiscal year ending Sept. 30th, 1902, as 28,279 ounces,† compared with 30,537 ounces in 1901; 489,731 tons of iron ore as against 419,567 tons in 1901; 4,362,869 tons of coal as compared with 3,625,365 tons; 406,152 tons of coke as against 120,000 tons; 206,193 tons of pig-iron as against 90,034 tons; 223,606 tons of limestone as against 95,794 tons; 173,000 tons of gypsum as compared with 135,637 tons. The total revenue derived from these sources by the Government was $487,948.

On Oct. 27th, a meeting of the N. S. Mining Society was held, with Mr. Alex. McNeil in the chair, and Resolutions were passed urging better Reports from the Department of Mines; accurate surface plans of mining areas; prompt reports from the Dominion Geological Survey in Nova Scotia; and an adequate Exhibition building for the Provincial mineral products. At the end of the year (Dec. 21st) the Nova Scotia Coal and Steel Company reported that their coal output for the year at Sydney Mines had been 80 per cent. in excess of last year's and at New Glasgow 75 per cent.

* NOTE.—The Ontario Government, by Order-in-Council on April 7th, 1891, made such a suggestion to the Imperial authorities and transmitted an elaborate Report on the subject by the Hon. A. S. Hardy, Commissioner of Crown Lands. It was, however, declined.

† NOTE.—The Government of Nova Scotia does not publish the values in this connection.

greater. They expected to raise 700,000 tons in 1904. Writing to the Halifax *Herald* on Dec. 12th, the Hon. Robert Drummond, M.L.C., dealt with the importance of the Coal industry. It now employed 9,000 people and paid in wages upwards of $5,000,000. He estimated the coal areas of the Province as follows, with a total quantity of coal resources amounting to at least 7,313,000,000 tons:

County.	Square Miles.	Acres.
Cape Breton	450	288,000
Cumberland	300	192,000
Inverness	128	81,920
Richmond	84	53,760
Pictou	30	19,200
Total	992	634,880

At the close of the year the Hon. Mr. Drummond estimated in the *Mining Record* that the production of coal in the Province during 1903 was 4,672,000 tons or an increase of 310,000 tons and, of this, the Dominion Coal Company produced 2,833,000 tons and the Nova Scotia Coal and Steel Company 270,000 tons. The former Company employed 5,000 men in 1903 and the latter 1,526.

Mineral Production in British Columbia

The total mineral output of this Province up to and including 1902 was $189,728,538. Of this sum placer and lode gold amounted to over $86,677,415, silver to $18,475,882, coal and coke to $58,989,572, copper to $12,256,219 and lead to $10,447,521. In 1902 the West Kootenay District still remained the most productive with a total of $7,806,399; the Yale District had a production of $2,843,537; Cariboo District had $540,395 and Cassiar $426,636; East Kootenay had a production of $1,477,466 and the Coast Districts totalled $4,360,688. The following was the general mineral product of the year and two preceding years:

	1900 Value.	1901 Value.	1902 Value.
Gold, placer	$ 1,278,724	$ 970,100	$ 1,073,140
" lode	3,453,381	4,348,603	4,888,269
Silver	2,309,200	2,884,745	1,941,328
Copper	1,615,289	4,446,963	3,446,673
Lead	2,691,887	2,002,733	824,832
Coal	4,318,785	4,380,993	4,192,182
Coke	425,745	635,405	640,075
Other materials	251,740	417,238	480,051
	$16,344,751	$20,086,780	$17,486,550

While the total production for 1902 showed a decrease that of placer gold mining increased 10½ per cent. and Mr. W. F. Robertson, Provincial Mineralogist, in his annual Report dated Mch 11th, 1903, declared the mines to be in a better condition than a year before. But there had been a shortage in the water

supply; the Coast collieries had lost their market in California through fuel oil produced within that State; the Crow's Nest Collieries had to face an explosion followed by strikes; the lode mining interest was met by a heavy drop in the price of metals constituting an average of 27 per cent. in copper, 11 per cent. in silver and 10 per cent. in lead.

During 1903 the mining interests were hopeful. Speaking to the press at Victoria on June 5th, Mr. William Thompson, a well-known Mine Manager, said: "It is not generally known that British Columbia has 1,600 lineal miles of a mineralized section in the Rocky Mountain range and that this section is greater than those in the same range in the United States and Mexico. The United States has produced three and a quarter millions for each lineal mile and Mexico a little over three millions, while British Columbia has only produced $300,000 to the lineal mile." On the succeeding day Mr. C. E. Race, of the Rossland *Miner,* dealt with existing conditions. So far as the Kootenays were concerned they were improving. But he complained vigorously of the cost of hauling ore from the mines to the smelters, of high freight rates and of what he termed the inimical policy of the Crow's Nest Collieries.

According to a circular issued by the Associated Boards of Trade at the close of the year the mineral production of Southern Kootenay and Yale during 1903 was $11,932,639, including gold valued at $4,219,718, silver at $1,839,953, copper at $3,332,174, lead at $489,792, coal at $1,304,000 and coke at $747,000. On the first day of 1904 the Victoria *Colonist* contained an elaborate review of mining conditions in the Province during the past year by Mr. W. Mortimer Lamb. He referred to the disastrous influence of the coal strikes early in 1903 and summed up production as showing an increase over 1902 of 25 per cent. in copper, an increase in lode gold, coal and coke, a small decrease in lead and, perhaps, silver and a falling-off in the placer gold output. He described the work of the last half of the year as having been good and the news coming in as brighter and brighter in its nature:

> The tonnage output from the copper-gold districts began to increase and assume large proportions, mines on which operations had been long suspended came to be again worked, as metallurgical improvements and progress enabled smelting rates, and thereby production costs, to be lowered; rich and most promising discoveries of gold quartz were made in Poplar Creek; the Dominion Government had, at length, listened to the solicitation of the lead miners and lent substantial aid to that languishing industry; heavy rains in the Cariboo gave the smaller mines an opportunity to make up for the disabilities under which they had suffered earlier in the season and assured to the larger undertakings a plentiful supply of water for the next year's working; the method of treating the low-grade siliceous ores of the Rossland Camp by a process of oil concentration was successfully introduced and applied, while experiments also gave promise that this District may be turned to profitable account by another recently introduced special process; it was proved beyond peradventure that the great low-grade bodies of ore in the Bound-

ary were capable of being profitably mined—the Granby Company having entered upon a dividend-earning career; high-grade mines near Greenwood were opened and are already yielding profits; in the Nelson District half a dozen mines became productive as against one last year; in Ymir the same; at Camborne promising free-milling quartz mines became regularly productive; lead mines in the Slocan, long closed, were reopened and equipped with machinery; and the year closes with the outlook brighter, conditions more stable, the industry established on a more permanent and business-like footing than since, perhaps, its inception.

The Crow's Nest Pass Coal Mines

These great coal interests of British Columbia had, early in the year, to face the difficulties of a strike lasting from Feb. 11th to Mch 31st and affecting 1,463 men directly and about 6,000 indirectly. Most of the mining and smelting industries throughout the Kootenays and in the Boundary District were compelled to close down for a while, owing to lack of fuel, and the stoppage also affected the traffic of the C. P. R. to some extent. The next few months, however, enabled the Company to not only catch up in its production but to eventually exceed that of 1902. Speaking in London, where he had just been given the gold medal of the Royal Geological Society, Dr. Henry M. Ami, of the Canadian Geological Survey, described this region—the Crow's Nest Basin—as one which would allow of 10,000,000 tons of coal per annum being taken from it regularly for 7,000 years without exhausting the supply.

In September there were threats of another strike, despite the agreement made on Apl 1st, preceding, under which the Western Federation of Miners was recognized, the men obtained a re-adjustment of wages, and signed an agreement for three years' service. Now they had joined the United Mine Workers of America and trouble was threatened. The difficulty was, however, amicably settled. On Sept. 5th, three of the Directors of the Company—Mr. Robert Jaffray, Mr. G. G. S. Lindsey, K.C., and Lieut.-Col. James Mason—arrived at Vancouver on a tour of the properties and were duly interviewed by the press. In the *Province* Colonel Mason stated that the output was now 3,000 tons daily, that it would probably be 5,000 by the end of the year and eventually be 10,000 tons a day. Five hundred coke ovens were in process of erection. On Nov. 17th a change of management was announced—Mr. J. H. Tonkin being replaced by Messrs. A. H. Reeder and Daniel Davies in charge of two distinct departments.

The annual Report for the year ending Dec. 31st, 1903, showed a valuation of mines, real estate, plant, etc., at $5,418,435; a capital stock paid-up of $3,450,490; net profits for 1903 of $310,492, together with a premium of $913,526 received on calls paid on new stock; dividends paid of $303,717 and a balance at credit of profit and loss increased from $950,511 in 1902 to $1,870,813 in 1903. The coal produced during the year was 661,118 tons as against 442,049 tons in 1902. Nearly a million dollars was spent during the year on plant development and

machinery and Mr. G. G. S. Lindsey took over Mr. Elias Rogers' work as Managing Director. The Board elected at this meeting* included Lieut.-Col. Mason, Messrs. William Fernie, J. A. Gemmill, J. D. Chipman, David Morrice, T. Walmsley, F. Nicholls, and D. C. Dalton with Senator George A. Cox as President; Mr. Robert Jaffray as 1st Vice-President; Lieut.-Col. H. M. Pellatt as 2nd Vice-President; Mr. G. G. S. Lindsey, K.C., as 3rd Vice-President; and Mr. E. R. Wood as Treasurer.

Silver-Lead Mining in British Columbia

One of the most discussed questions in Western Canada during 1903 was the apparent collapse of the silver-lead mines of the Slocan District of British Columbia. Employing men estimated in varying but steadily decreasing numbers; having a population at one time as high as 20,000 dependent upon the industry; with annual wages stated by the Toronto *News* of April 23rd, 1903, at $2,750,000; having an output in 1900 worth nearly $5,000,000 with $20,000,000 invested in its mines; with an expenditure by the Canadian Pacific and Great Northern Railways of $7,500,000 in building branch lines for its development; the decline of the industry naturally created discussion and agitation along fiscal lines. This was especially the case in towns such as Sandon, Kaslo, Slocan City and New Denver, which had been largely created by the industry, and in centres like Nelson and Rossland which were largely interested in it. On December 10th, 1902, a meeting of silver-lead mine owners of East and West Kootenay, representing fifty-one mining properties, was held at Sandon, and passed a long and unanimous Resolution which very completely summarized the situation from their standpoint:

Whereas, the silver-lead industry of British Columbia, notwithstanding the usual richness of the ore, the proved continuity of the veins and the favourable natural conditions of mining in the Province, is, and for some time has been, in a declining condition, which, if not ameliorated, will end in total stagnation; and

Whereas, the lead mining camps in the United States, and particularly those in the adjoining State of Idaho, are and for years have been, enjoying great prosperity due to a protective tariff conserving the home market; and whereas, the silver-lead mining industry has been for some years of national importance, and, unless allowed to decline, will speedily attain to a much greater degree of importance, benefiting by its increased expenditures the trade and advancement of both eastern and western Canada; and

Whereas, our domestic market for the manufactured products of lead is chiefly supplied from the products of ores mined in Mexico and Europe, where the labour cost of production is much lower than in this country—a condition of affairs permitted by the wholly inadequate protection afforded by the existing tariff—while the prices of white lead, lead pipes, sheet lead and shot in the Dominion of Canada are approximately equal to the prices charged for the same commodity in the United States, all to the detriment of the producers, consumers and transporters of lead in this country; and

Whereas, under the existing tariff, little or no protection is afforded to the lead-producing industry, while adequate protection is afforded to all other industries of equal importance known to us; and whereas, the conditions

* NOTE.—Feb. 12th, 1904.

result in the exportation of a preponderance of our crude ore and bullion, the former to American smelters and the latter to the markets of the world, there to enter into competition with the products of cheap European and Mexican labour, and the surplus product of the protected lead industry of the United States ;

Therefore we, the silver-lead miners of the East and West Kootenay Districts of British Columbia, in Convention assembled, do hereby recommend and respectfully urge the enactment of a Tariff Act which will afford ample protection to the producers, manufacturers and transporters of lead, thereby creating a new and expansive home industry calculated to benefit all classes by the stimulation of national trade and commerce ;

Having in view the interest of the producers, manufacturers and consumers of lead, we would recommend a duty equal to that imposed by the United States, viz. : On lead in ores, 1½ cents per pound ; on lead in bullion bars and old lead, 2⅛ cents per pound ; on lead in sheet, pipe, shot, etc., 2½ cents per pound ; and on all other products of lead as provided in the Dingley Tariff Act of January 24th, 1897 ;

Provided always, that if at any time it should be proved that a combination has been formed for the purpose of unduly increasing the charges made for smelting lead ores produced in Canada, or marketing bullion, or if the charge for smelting and refining in Canada is proved exorbitant, then the Governor-General-in-Council may, at his discretion, permit the admission into Canada of lead bullion smelted and refined, or smelted or refined in Foreign countries from Canadian lead ores, upon payment of an *ad valorem* duty of 15 per cent. upon the cost of such smelting and refining.

A few days later, on January 7th, a circular issued by the Kaslo Board of Trade was made public, which declared that the majority of the silver-lead mines were now closed, and that unless an adequate measure of tariff relief from American competition was given by the Dominion Government, an industry of national importance must soon cease to exist. Any half measure was strongly deprecated as increasing the price to the consumer without benefiting the producer, and a specific protective duty on lead and its partially manufactured products, was urged. On the same date as above the Rossland Board of Trade passed a unanimous Resolution endorsing the views of the mine owners at Sandon ; declaring that a revival in this industry would create a large demand for certain low-grade iron ores of Rossland, and greatly help the copper works, lead smelters, etc., of the neighbouring town of Trail ; and urging the Government to take some fiscal action. The Rossland Liberal Association, on January 8th, passed a Resolution declaring that the decline in the world's price of silver and lead, coupled with the marketing in Canada of German and Mexican lead manufactured in the United States, had practically closed the silver-lead mines of British Columbia, and urging upon the Dominion Government "the establishment of such duties as will secure for Canadian mines the benefits of the home market, and will enable the resumption of work in the many mining districts of British Columbia which are now suffering from great depression."

Following this action in Rossland came a public meeting in Nelson on the succeeding day, and the passage of a motion recapitulating some of the conditions already mentioned and strongly endorsing the proposals of the mine owners' meeting. Speaking

to the Montreal *Herald* of January 13th, Mr. G. O. Buchanan, President of the United Boards of Trade of Eastern British Columbia, described the decline of lead production in the Province from 31,000 tons in 1900 to a probable total of 5,000 tons in 1903. The cause of this process he stated as follows:

> The United States Lead Trust, which controls both the lead mines and the lead smelters of the United States, decided that Canadian competition was becoming inconvenient and that an end should be put to it. This was done by the simple act of stopping the purchase of Canadian ores, and by their withdrawing their market from the Canadian miners. To find new markets the Canadian lead producers were forced to turn to London and eastern Asia. Here they found themselves in competition with lead from Mexico, from Spain, from Sicily and from all the other countries of the world where wages and supplies are low and mining is carried on under the most economical conditions. The competition was found to be too strong for them and the closing of the mines was begun.

Following this the Nelson Board of Trade appealed for the co-operation of Manitoba and Territorial centres on the ground that British Columbia could become a great market for their agricultural products; and a public meeting at Trail, B.C., declared strongly for action. Meanwhile, a large delegation had waited on the Government at Ottawa and the Mining Convention at Victoria on Feb. 27th had urged protection to the industry. On Mch 26th the Associated Boards of Trade at Fernie passed a similar Resolution; as did a mass-meeting at Nelson on Apl 18th and the Legislature of the Province on Apl. 23rd. A mass-meeting at Rossland, on Apl 29th; another at Grand Forks on the same day and Mr. W. A. Galliher, M.P., at Ottawa in an elaborate speech; urged aid to the struggling industry. The Victoria Board of Trade on May 15th endorsed this plea and on July 6th it was announced that the Dominion Government had decided to grant bounties on lead refined in Canada extending over a term of four years.

British Columbia Mining Convention

On February 25th a most important gathering, representative of the mining interests of the Province, was opened at Victoria, B.C. Originating from a small preliminary meeting held on January 14th and a public meeting held on the following day—presided over by Mr. J. B. Hobson, of Cariboo—it had been brought together in order to organize an Association which should be strong enough to secure a prompt and effectual improvement in the conditions now surrounding the Provincial mining industry. It was hoped that the success which had followed a similar experiment in California, in greatly facilitating the co-operation of capital and labour, would also result in British Columbia. At the public meeting referred to, Mr. Hobson delivered a speech of considerable interest. He declared that the reason capitalists would not come into the Province was because good titles could not be secured from the Government for deep-mining ground, in a sufficient area to

warrant investment, while the prospector was barred because of the terms being beyond his means. He was hopeful as to greater transportation facilities, and pointed out the value of the mining industry to farmers. In his own concern—the Consolidated Cariboo Hydraulic Mining Company—a quarter of a million pounds of vegetables, butter, beef, etc., were purchased annually for one mine, and at times their consumption of oats, hay and beef alone had gone as high as 370,000 pounds. He looked for a future placer-gold output of $25,000,000 annually. In Yale, Cariboo, Cassiar, Omenica and Atlin were "the richest and most extensive deep alluvial deposits to be found anywhere on earth."

> The deposits capable of being worked by the hydraulic process remaining in California are estimated as containing $500,000,000, in addition to which ground there are several hundred miles of known beds of ancient rivers, estimated to yield from $50,000 to $1,000,000 per mile, also still remaining to be worked. I claim that the Districts of British Columbia which I have enumerated, possess, at a conservative estimate, an area of rich auriferous deposits ten times greater than those of the State of California—and that means ten times the estimated gold contents of the Golden State. The wonderful contents of the deep gravels of Cariboo induced me to withdraw my money from California and invest it in Cariboo and become a subject of this country. And I intend to remain here the balance of my lifetime.

The Provincial Mining Convention had duly developed out of these preliminaries, and the first day's meeting on February 25th was opened by Mr. A. L. Belyea, K.C. A temporary Chairman was elected in the person of Mr. John Keen, of Kaslo, and Mr. H. Mortimer Lamb, of Victoria, was chosen Secretary. On the following day the Committee on Credentials reported under the chairmanship of the Hon. D. W. Higgins, and a formal welcome was offered the 200 delegates by Mayor McCandless. On February 27th the constitution and by-laws were arranged, and the Provincial Mining Association of British Columbia was formally organized. Its objects were declared to be the protection, development and fostering of the mining industry in all its branches, and the membership was divided into five classes, comprising: (1) Prospectors, mine workers and smelter workers; (2) Mine operators and owners; (3) Smelters, owners and managers; (4) Business and professional men; (5) Farmers, ranchers and others. District organizations were to be formed as branches, and the following clause was included: "This Association shall not permit discussions in any of its Conventions or meetings on social problems, nor shall it interfere in any way with labour unions. Provided, however, that the Association shall be at liberty to use its good offices in adjusting and settling mining labour difficulties." Resolutions were passed along the following lines:

1. Urging the Government and Legislature to abolish "the so-called two per cent. mineral tax upon the output of mines," because of "its injurious effect in depressing mining, and because of its effect in discouraging the investment of outside capital."

2. Proposing as a proper basis for the taxation of working mines that a fair tax be levied upon the net annual income resulting from the product of the mine.

3. Declaring the desirability of the establishment of a separate Portfolio of Mines at Ottawa, for the purpose of promoting mineral development.

4. Urging the discontinuance of the collection by the Provincial Government of dues upon timber and cordwood used by mine owners in their mines.

5. Asking the Provincial Government to immediately obtain all necessary information and advice from miners and owners, in order to amend and perfect the Code of mine signals.

6. Declaring that owners of Crown-granted mineral claims sold for taxes should have the same right of redemption for six months as is accorded to all other owners of Crown-granted or other lands sold for taxes.

7. Expressing the opinion that the law should be amended so that failure to keep up a free miner's certificate shall not work forfeiture of risks acquired under it.

8. Urging that Crown-granted mineral claims should be placed for purposes of taxation in the same position as other mineral claims.

9. Asking the Dominion Government to appoint a metallurgical expert of the highest reputation to investigate the possibilities of refining and manufacturing gold, silver, iron, lead and copper in British Columbia.

10. Favouring the reduction of the Government fee for the Crown-grant of a mineral claim from $25 to $10.

11. Urging the Provincial Government, by prosecution or otherwise, to suppress fraudulent statements made regarding mining properties in British Columbia with a view to inducing the public to buy shares in such properties at outrageously exaggerated prices.

12. Asking the Dominion Government to follow the example of the Provincial authorities by granting free to the mineral claim owner, upon his approved application for a Crown-grant, all the mineral, water and surface rights now vested in the Dominion.

13. Requesting the Provincial Government to investigate the Boiler Inspection Act, with a view to improving its operation.

Mining Conditions in the Yukon

Writing from Dawson City to the Toronto *Globe* on Jan. 12th Mr. T. Dufferin Pattullo gave a clear and concise description of conditions which may be summarized here. He asserted that of the fabulously rich claims of early days many had been more or less worked out but that there was a far larger area now being worked in the immediate vicinity of these claims; (2) that of the many discoveries made during the preceding year some were almost certain to develop well and one or two were already assured; (3) that mining methods were gradually but steadily improving and at the same time cheapening, while transportation facilities were better though with still much room for improvement; (4) that it was only a question of a short time until large holdings would be developed through corporations and by hydraulic or dredging processes while every day was increasing the area of quartz prospecting and development work.

During March Mr. W. M. Fitzhugh, a mining expert from London, England, arrived at Dawson to commence some extensive hydraulic work. In an interview with a Winnipeg *Free Press* correspondent he expressed the belief that in ten years the Yukon region as a whole would produce from one to two hun-

dred millions in gold. He strongly urged a Government supply of water for the mines. It would cost about $4,000,000 and would largely promote the investment of capital. Speaking to the Toronto *News,* on Mch 3rd, Mr. F. T. Congdon, prospective Commissioner of the Yukon, declared the provision of a water supply to be the question of the hour and to the *World* he said: "The Yukon was never so prosperous as now; never were the prospects so bright, never the actual natural assets so plainly visible. All these years since the first discovery of gold-bearing quartz on the Klondike careful experiments have been made regularly and systematically by Government experts, and the whole district is known to be the richest metalliferous belt in the world. The surface has been barely scratched, as one might say, so far, for we must not forget that the Yukon District is larger than Ontario; and the mining resources of even the older Provinces are but just being unearthed."

As indicative of the local confidence felt in the prospects of the Yukon at this time it may be mentioned that the Victoria *Colonist* of July 4th described the opening of the season as showing 25 car-loads of heavy mining machinery *en route* to Dawson and White Horse. A less satisfactory incident was the record of the United States Assay Office at Seattle, on July 15th, 1903, which showed $54,842,144 of gold receipts from the British Yukon during the previous five years. At the close of the year an Order-in-Council at Ottawa lowered the charge for a free miner's certificate from $10 to $7.50.

According to a despatch from Dawson, on Dec. 30th, 1,500 tons of coal were mined during the year and over 1,300 claims staked in the Alsek region since the summer. A stampede and fabulous finds were reported up the White River as had previously been the case on Pelly River and in the Tamana Camp. Reliable results were not apparent at the date of writing. The generally accepted figures of production for the year 1903 were $10,000,000 and Comptroller J. T. Lithgow (*Colonist,* Nov. 17th) stated the gold shipments of the season at $10,137,308 as against $11,845,293 in 1902. According to Mr. E. D. Ingalls' later Summary, for the Geological Survey, the total production was $12,500,000 against $14,500,000 in 1902 and $18,000,000 in 1901.

MISCELLANEOUS MINING INTERESTS

Jan. 7.—The Rossland Board of Trade passes a long and vigorous Resolution protesting against the Provincial Mining tax as burdensome and unfair to the Mining interests.

Jan. 30.—At the annual meeting of the Le Roi Mining Company in London the product of the year, shipped to smelters, is given at 155,765,407 dry tons with a gross value of $1,821,773. The gross expenditure for operation and equipment during the year is given at $593,896.

Feb. 18.—On this and the succeeding day a Convention of Mine owners, operators, etc., is held in Toronto with Mr. James Conmee, M.P.P., in the chair. Resolutions are passed favouring the removal of the coal duties, a division of the Province into mining divisions and the appointment of a Provincial Minister of

Mines. They are opposed by Major R. G. Leckie of Sudbury, Mr. B. T. A. Bell of Ottawa, Mr. Eugene Coste and others.

Feb. 25.—The annual Report of the War Eagle mine shows total liabilities of $2,438,601 and receipts from ore sales in the previous year of $203,249, with expenditures of $269,173. Mr. T. G. Blackstock, Vice-President, in his speech refers to "the antagonism of the Government of the Province, the Labour Unions, the Municipality and the Smelter in our efforts to reduce costs and to secure water necessary to mill our low-grade ores." Without this latter he believed every mine in Rossland will be closed up and abandoned ere long.

Mch. 4.—On this and two succeeding days the Canadian Mining Institute meets at Montreal with President Charles Fergie in the chair. In his address he treats at length of coal mining in Canada during 1902 and gives the Provincial production as 4,725,480 tons for Nova Scotia; 10,000 tons for New Brunswick; 69,000 tons for Assiniboia; 346,654 tons for Alberta; 1,750,000 tons for British Columbia; and 2,000 tons for the Yukon. Mr. Eugene Coste is elected President of the Institute.

Mch. 12.—The Vancouver *World* gives figures compiled by Mr. E. M. Sandilands of Sandon which show the total dividends paid by Eastern British Columbia mines between 1895 and 1902 as $6,554,538.

Mch. 28.—The Acadia Coal Company of Stellarton, N.S., is said to have discovered a magnificent new seam of coal.

Apl. 18.—The annual Report of Mr. J. Obalski, M.E., Inspector of Mines in Quebec Province, shows a total output for the past fiscal year of $3,000,000 with some $200,000 worth of pig-iron and chrome in addition. The production includes asbestos $1,174,-708, copper $121,170 and mica $34,304. Employment is stated to have been given 5,000 men.

Apl. 25.—The formation is announced of the Nova Scotia Oil and Gas Company, Limited, with a capital of $1,000,000 and composed of local capitalists. It is intended to develop the alleged oil fields in the Western part of the Province.

Apl. 29.—Part of the Turtle Mountain in the Rockies slides down upon the Town of Frank and kills a number of people (62 reported on May 2nd).

June 8.—The Cumberland Coal and Railway Company purchase 31 square miles of coal areas in the neighbourhood of Springhill, N.S.

June 12.—The organization is announced of the Standard Coal and Railway Company, Limited, with a capital of $3,000,000 and with the object of exploring and developing areas in Nova Scotia. The Directors include Sir M. B. Daly, K.C.M.G., and H. J. Logan, M.P.

Aug. 4.—The Hon. Mr. Fielding introduces in the House of Commons—and eventually puts into law—his Resolutions giving bounties on iron and steel production.

Sept. 3.—The Rossland *Miner* announces the organization of the Kootenay Consolidated Mining Company with headquarters at Minneapolis and the ownership of half a dozen well-known Lardeau gold and silver-lead mines in British Columbia.

Sept. 4.—The Ontario Mining and Smelting Company start their new smelting furnaces for the smelting of lead from native ores.

Oct. 3.—Territorial returns state that the total output of bituminous, lignite and anthracite coal during 1902 was 510,674 tons as against 346,649 tons in 1901.

Dec. 10.—Prof. A. P. Coleman lectures in Toronto on Canada's Mineral resources. In New Ontario he had met recently three prospecting parties representing United States capitalists to every one Canadian. Strikes had, in his opinion, been the great deterrent influence in British Columbia development.

Dec. 31.—The year's import of mining machinery is given at $1,281,185 as compared with $851,339 in 1902. Nearly all of it comes from the United States.

IX—CANADIAN FORESTS AND FISHERIES

The Lumber Interests of Canada

The immense natural resources of the Dominion in timber of almost every kind created varied discussion and underwent various forms of development during 1903. In his annual address to the Canadian Bank of Commerce on Jan. 13th Mr. B. E. Walker dealt with lumber conditions at some length. He deplored the "shameful national loss" incurred through forest fires; urged legislative action along lines of reafforestation; and referred to the high price of labour and to "the enormous value of all kinds of standing timber" as being a national asset.

The trade in lumber manufactures throughout Eastern Canada has continued with unlessened activity. Varieties of wood regarded as worthless a few years ago, are now largely in use as standard supplies. Standing timber of all kinds is steadily increasing in value, and men of the largest experience do not hesitate to increase their holdings at the present high prices. The prices realized by the manufacturer for lumber are at the highest. But these favourable elements in the trade are apparently fully counterbalanced by the increased cost of production. In such times as these, the prices of most commodities, and especially of labour, are bound to be high, but this seems to be peculiarly the case in the lumber trade.

At the annual meeting of the Ontario Lumbermen's Association in Toronto, on Feb. 17th, President John Waldie declared that never in the history of the Province had lumber reached so high a figure. Prices as well as demand had steadily advanced; so had stumpage dues and the cost of labour. The transportation conditions, however, had not kept pace with these advances in business and though railways had increased the facilities had not. He opposed anything except Provincial control of Crown land regulations in such matters as an export duty on pulp-wood; deprecated the granting of subsidies to railways; and favoured Government ownership and Company operation in all future construction arrangements. On Mch 18th a Sault Ste. Marie Board of Trade delegation waited upon the Ontario Premier and urged the granting of 7,400 acres per mile, in alternate townships, to all colonization railways in New Ontario, including pine (subject to dues) and giving to industrial companies the right to purchase all such lands as should be unsuited for settlement, with a view to manufacturing the timber into a finished product.

Reporting to his Government on Oct. 26th, the local United States Commercial agent at the Sault stated the cut of lumber in that district at 160,000,000 feet in 1902 with a probable figure of 200,000,000 feet in the season of 1903. At least 75 per cent. of this, he said, was cut in mills owned and operated by Americans. The most of the product was shipped to the United States

—$1,604,123 worth in the fiscal year 1901-2, and $1,941,985 in 1902-3. On Dec. 9th a phenomenal sale of timber limits took place in Toronto which netted the Province $3,677,337. The highest price paid was $31,500 per square mile; the average price was $4,450 per square mile. Mr. Thomas Mackie, M.P., of Pembroke, was the principal Canadian purchaser with a total of $420,000 and Mr. S. H. Shevlin of Minneapolis was the chief United States buyer with a total in the Rainy River District of $315,150. The previous sales were as follows:

Year.	Square Miles.	Amount Realized.	Year.	Square Miles.	Amount Realized.
1868	38	$ 14,446	1885	1,012	$ 318,645
1869	98	25,564	1887	459	1,312,312
1870	12	7,680	1890	396	346,253
1871	487	117,672	1892	633	2,315,000
1872	5,031	592,601	1897	159¼	365,162
1877	375	75,739	1899	360	723,550
1881	1,379	733,674	1901	399¼	732,787

In New Brunswick the Provincial Government announced on Dec. 4th their intention to raise the stumpage dues to $1.25 per 1,000 feet upon pine, spruce, fir and cedar and, in proportion, upon other timber, as against the old rate of $1.00 per thousand feet. The charge for renewal of leases was also to be $8.00 a square mile instead of $4.00 as at present. The Lumbermen's Association had submitted a Memorandum on Sept. 29th preceding and made various recommendations. To this the Hon. A. T. Dunn, Surveyor-General, replied on the date mentioned pointing out the enormous increase in the value of timber holdings and the higher price of lumber itself; promising better protection of the forests from fire; stating the revision of dues and charges already outlined; and declaring that the Government, while fully appreciating the necessity of conserving the interests of capital in this connection, were also aware of the popular and proper objection to any undue locking-up of timber lands in any permanent form. The J. B. Snowball and Company annual circular for 1902 showed the shipment of lumber from New Brunswick at 451,000,000 feet but the Hon. Mr. Dunn pointed out in the Legislature, in the succeeding year, that 104,000,000 feet of this really came from Nova Scotia and Quebec.

British Columbia, during the year, showed considerable development in this connection, and the Vancouver *Ledger* of Apl 9th stated that there were 120 lumber mills in the Province and gave a list of 43 mills with a daily capacity of 1,925,000 feet. According to official statistics of the Bureau of Provincial Information the number of mills in 1902 was 105 with an acreage under lease of 453,251, a daily capacity of 1,904,000 feet, a lumber cut of 281,945,866 feet and a shipment abroad of 57,121,435 feet of lumber and of 3,713,760 feet of laths. There were 62 small mills not included in these figures of production.

In the first six months of 1903—as indicating the wide distribution of this product—the Chemainus Mills shipped 5,747,037 feet to the United Kingdom, 3,853,495 feet to South Africa, 2,075,521 feet to South America and 4,609,574 feet to the North-West Territories. There was a good deal of local agitation for a duty on lumber during the year and on Oct. 30th the Vancouver *Ledger* put the matter thus:

> There are about 500,000,000 shingles needed in the North-West Territories while all the shingle mills in Vancouver and vicinity, running ten hours a day, turn out 900,000,000, and still shingles are allowed to come into Canada free. There are 500,000 feet of lumber required in Manitoba and the North-West and the mills in Vancouver and vicinity could supply the entire demand, running full time, and still there is no duty on American lumber, in spite of the long-continued effort to have this duty imposed.

On Oct. 26th, a meeting of Coast and Interior lumber and shingle manufacturers had been held at Nelson and a Resolution of "emphatic protest against the admission of lumber and shingles free of duty, thereby exposing us to unfair competition" passed. It was declared that British Columbia had become a dumping ground for the demoralized United States lumber trade. To the Victoria *Colonist* on Nov. 11th, Mr. J. W. Coburn of the Ladysmith Lumber Company stated that there was now 180,000,000 feet of lumber awaiting orders for shipment into Manitoba and the North-West. "Nevertheless one of the members of the Association had ascertained that 450 carloads had gone from Washington State alone into the North-West during October." Yet there was a duty upon Canadian lumber going into the States.

He declared that this lumber was being sold below cost price and added that British Columbia lumber not only had to face unfair internal competition and an American duty on their frontier but also to pay about $1.00 per 1,000 feet in Provincial taxes. His statement as to slaughter prices was denied by a number of Winnipeg dealers in the *Free Press* of Dec. 16th. It may be added that the chief forest exports of Canada for the year ending June 30th, 1903 (out of a total of $36,386,015 of which $16,000,000 worth went to the United Kingdom and $16,000,000 to the United States) were as follows: Lumber deals (pine) $3,653,917; Lumber deals (spruce, etc.), $8,315,454; Lumber, planks and boards, $14,008,846; Shingles and scantling, $2,049,856; Timber, red and white pine, $1,530,548; Wood for pulp, $1,558,560. Some of the minor incidents and interests in this connection were as follows:

Feb. 23.—Mr. John Arbuthnot, Mayor of Winnipeg and a lumber dealer, states that he has been boycotted by the North-West Lumber Dealers' Association because he would not accede to their conditions.

Mch. 25.—A Civic Committee at Winnipeg meets to hear charges and explanations regarding the alleged Lumber combine. The

lumbermen, however, refuse to discuss the subject except in secret session and, on Apl 2nd, the Committee reports to the Council their opinion that "a lumber combine injuriously affecting the interests of the city and the country does exist."

Mch. 28.—The Hon. Mr. Greenway denounces in the Winnipeg *Free Press* the existence of a lumber combine for the regulation of sales and prices in the Province of Manitoba and declares his intention of urging the Dominion Government (during his pending visit to Ottawa) to grant a judicial investigation of the matter. He terms it "an odious, expensive and intolerable imposition."

Apl. 27.—The Toronto *Globe* states that as a result of Mr. Greenway's visit to Ottawa the Government will investigate the character of the alleged conspiracy to keep up the price of lumber in the West.

Apl. 30.—A Petition from Southern Alberta proclaims the existence of a Lumber combine and gives the following figures of increased prices:

	1901.	1902.	1903.
Boards	$16.00	$18.00	$21.00
Shiplap	19.00	21.00	23.00
Flooring—			
Kootenay	29.00	31.00	34.00
Coast	33.00	35.00	38.00
Shingles	2.85	3.15	3.40
Lath	5.00	5.75	6.25

May 31.—The Grand Valley Seigneury, in Quebec, comprising 54 miles of timber limits and a lumber mill, is sold for $100,000 to a New York and Ontario syndicate.

June 1.—Mr. J. M. Davison of Pittsburg and other American capitalists purchase for $1,000,000 the lumber lands and interests of the E. D. Davison Lumber Company in Annapolis and Kings County and other places in Nova Scotia.

Sept. 28.—Mr. Justice A. E. Richards, who has been appointed a Commissioner to inquire into the alleged Lumber combine in the West, concludes his Winnipeg sittings.

Oct. 22.—It is "authoritatively stated" by the Victoria *Colonist* that Messrs. S. H. C. Miner and A. C. Flumerfelt of the Granby Smelter Company have become largely interested in the Hastings Shingle Manufacturing Company of Vancouver which controls the largest saw-mill in the world.

Dec. 12.—Mr. Alfred Dickie of Halifax, who already owns 500,000 acres of lumbering lands in Nova Scotia, buys 80,000 acres more from the United Lumber Company of New York and Nova Scotia.

Dec. 30.—The Victoria Lumber Milling Company of Chemainus, B.C., admit the purchase of 1,300,000 feet of logs from the United States side and Mr. J. J. Palmer, the Manager, states that they are in the market for 10,000,000 feet but cannot get the supply within the Province.

Development of the Pulp-Wood Industry

Addressing the Insurance Institute of Montreal on Feb. 26th, Mr. F. W. Evans dealt at length with the character of this industry and the enormous resources of Canada. He referred to spruce as the great factor in this production though balsam, poplar, and aspen were also available; described the processes of manufacture; and then dealt with the depleting of Quebec's vast supplies which was now going on. "Some idea of the rapidity with which the wood lands are being denuded of timber may be gained when we consider that the consumption of wood in the United States last year for the production of pulp would have

taken the timber from an area of over 1,100 miles, or say equal to the distance between Montreal and Toronto for a width of over three miles and this consumption is rapidly increasing." Pulp-wood exported represented a value to Canada of $4.00 a cord; if manufactured at home into chemical pulp it was worth $15.00. Had last year's export been manufactured into pulp in Quebec the Province would have been $3,000,000 better off. He urged an export duty in order to conserve Canadian property for national use.

The failure of the wood supply in the United States constitutes a danger to this country. American paper-mill owners, realizing the possibility of a curtailment and even a stoppage of their supply of raw materials, have been looking across the border for relief and, in addition to purchasing wood from jobbers, have been buying up immense areas of timber limits, building mills for sawing and peeling the wood, and are shipping it by rail or boat to their mills across the line.

The Quebec production of pulp, it may be said, grew from 9,000 tons in 1880 to 280,000 tons in 1902 and in 1901 Great Britain imported, altogether, 500,000 tons at $11,750,000. Of this manufactured product Canada only sent 13 per cent. while it was supplying the United States with 79 per cent. of its total import of unmanufactured pulp-wood. The Census returns regarding this industry may be given here:

Pulp Industry.	1881.	1891.	1901.
Number of mills	3	24	30
Number of employees	68	1,025	4,550
Earning of employees	$15,720	$292,009	$1,587,597
Value of product	63,300	1,057,810	6,176,300

In the fiscal year 1903 the export of wood-pulp was $3,150,-943, of which $1,129,173 went to Great Britain and $1,795,768 to the United States. On Jan. 26th, a delegation of pulp and paper manufacturers of the Province waited on the Hon. Mr. Parent, Premier of Quebec, and urged an export duty on spruce and pulp-wood. They claimed that "in the interest of the pulp and paper manufacturers of this Province, and of the country generally, it was necessary to impose an export duty on spruce logs and pulp-wood at the rate of $1 per cord of 128 cubic feet, for the first year, $1.50 for the second year, $2 for the third year and $3 for the fourth and subsequent years, and that 90 per cent. of the amounts so collected should be returned to the proprietors of the land and the Provincial Governments, while the remaining 10 per cent. could be retained by the Federal Government for the cost of collection." The Premier did not seem inclined to accede to the request.

At the annual meeting of the Lumbermen's Association of Ontario, on Feb. 17th, a Resolution was unanimously passed asking the Dominion Government not to place an export duty upon pulp-wood because of the international difficulties which might ensue. On Mch 24th the Board of Classification of the United

States General Appraisers decided that the Quebec rebate of 25 cents per cord, from the local stumpage dues on timber manufactured into paper pulp in the Province of Quebec, "was really an export duty" and that therefore a countervailing duty of 25 cents could be levied under United States law upon Quebec wood-pulp. In the Quebec Legislature on Apl 27th the following Resolution was proposed by Mr. G. H. St. Pierre, spoken to by the Premier and Opposition Leader and lost by a party vote of 8 to 31.

That for the purpose of selling a great part of our national asset every year, the present Government reduced the license to cut from $1.90 per cord to 65 cents per cord; that as a result of this policy our forests are being devastated and the greatest part of our lumber is exported to the United States to the loss and detriment of our Province and for the benefit of foreigners; that if a higher license to cut was imposed on our pulp-wood it would result in the construction in this Province of large pulp and paper mills, which would give employment to a large number of people and thus be a means of industry and progress in our Province; that instead of adopting this policy, the Government committed the inexplicable error of promising, without any authority from the Legislature, not to make any change in the license to cut of 65 cents per cord, for ten years to come; that the Government is invited to change its policy on this point at once and to adopt a policy which will protect our forests and lumber industries in a more efficacious manner.

The subject was discussed in the Ontario Legislature on Apl 30th, Mr. J. W. St. John urging the conservation of the forests, in which he claimed there was enough pulp-wood to produce 20,000,000 tons of pulp annually. What the Province wanted was a scientific system of forestry under the direct supervision of the State. On June 10th, the Government put through the Legislature an agreement giving a concession of 200 square miles to the Rainy River Pulp and Paper Company—of which the Hon. George E. Foster of Toronto was a Director. Under its terms the Company undertook to expend $75,000 in buildings and to have an output of 20 tons of pulp a day. The usual conditions guarding Provincial interests were included. Speaking in Montreal on Oct. 28th, the Hon. A. Turgeon, Quebec Minister of Agriculture, defended the Government's pulp-wood policy. They were not selling too much to the Americans. He declared that of the 672 pulp mills in the United States, only 69 used Canadian spruce, while of the 1,986,300 cords of pulp-wood used, only 300,000 came from Canada, and about 200,000 from the Province of Quebec. Of this amount only 50,000 was taken off the Crown lands.

The Preservation of the Forests

A subject in this general connection which was much discussed in 1903 was that of the preservation of forests from fires. In six specified years Ontario alone lost 572,000,000 feet of merchantable lumber in this way and, early in June, 1903, great fires were raging all through the forests of New Brunswick and in many parts of Quebec. Writing to the press on Mch 21st, Dr.

W. F. Ganong of St. John urged public education in Forestry as a means of making the forests profitable. "In this aim forestry and the lumbermen agree; where they differ is in this, that the lumberman is concerned only with the profit of the present and near future, while the forestry system aims to bring the forests into their most productive condition and to keep them there, so that they will continue to yield the maximum of profit indefinitely."

On Mch 6th, the Canadian Forestry Association met in Ottawa and various papers were read upon this and collateral subjects. Mr. Aubrey White of Toronto, Mr. W. A. Hendry of Halifax, Mr. J. R. Booth and Professor Macoun of Ottawa dealt with it from various standpoints. All agreed as to the necessity of steps being taken for preserving the forests. In the Quebec *Mercury* of July 9th attention was drawn to the alleged United States plan of preserving their forests for increased values and depleting Canada's lumber reserves at the present low prices. Lecturing at Queen's University, Kingston, on Jan. 27th, Professor Fernow stated that Canada's 800,000,000 acres of woodland contained about 50 per cent. fitted for Forestry purposes and thought that at the present rate of consumption—five billion feet per annum—they would last, under proper supervision, for many years. He said that in Canada the total value of boards and mill products in 1902 was $52,000,000 and declared that in less than 30 years the supply of wood in the United States would be exhausted at the present rate of consumption.

It is a remarkable fact that civilization depends largely on wood, as outside of food products it is almost indispensable to man's welfare, and a wood famine would be almost as serious as a food famine. The general use of wood depends on the ease of securing supplies, its non-conductivity of heat and electricity, and an admirable combination of strength, elasticity, etc., ease of shaping, combined with its cheapness and the fact that it can be produced and reproduced according to man's efforts. Statistics show that one-half the population of the United States depends on wood for fuel, and two tons of wood are used for one ton of coal, while ten tons of wood are used for one ton of iron or five of steel. At present Great Britain imports wood valued at $125,000,000, and in all civilized countries the consumption is increasing, in spite of competing substitutes. The wood industry, in general, stands second to the agricultural in the amount of capital invested and in the amount of wages paid out to employees; showing that it is an industry of national importance.

The House of Commons on July 16th, voted $25,000 for the protection of timber lands in Manitoba and the North-West Territories and on Oct. 8th the Hon. E. J. Davis told the Toronto *Globe* that the Ontario Government had worked out a new plan for forest preservation. "The scheme practically amounts to a system of permanent forest reserves, on which the timber will be sold only as it comes to maturity, and the price paid will be regulated by the amount actually taken, that is to say, measuring will be by the thousand feet, and not by the acreage."

The Fisheries of Canada

The total yield of Canadian Fisheries in 1902 was $21,959,433—a considerable decrease from the production of $25,737,154 in 1901. The yield by Provinces included $7,351,753 from Nova Scotia; $5,284,824 from British Columbia; $3,912,514 from New Brunswick; $2,059,175 from Quebec; $1,265,706 from Ontario; $1,198,437 from Manitoba and the Territories; $887,024 from Prince Edward Island. The largest decrease was that of $2,657,947 in British Columbia and the only increase was that of $240,027 in Manitoba and the Territories. The previous year had shown an increased value in every Province but one. The chief kinds of fish in this production were as follows:

Salmon	$4,335,039	Haddock ...	$599,237	Clams	$238,175
Cod	4,028,788	Halibut	575,441	Pike	190,248
Lobsters....	3,133,737	Smelts	458,512	Alewives ...	187,006
Herring	1,723,098	Pickerel....	408,085	Sturgeon ...	173,315
Mackerel ...	839,368	Sardines....	382,326	Oysters	155,168
Whitefish ..	810,873	Hake	265,378	Eels	108,404
Trout	637,210	Pollock.....	250,583		

The quantity of fish used as bait was valued at $352,696. The value of fish-oil was placed at $230,439 and the fur-seal skins of British Columbia realized $337,660. The exports of Fish and their products, for the year ending June 30th, 1903, was $11,800,184. During the season of 1902 there were 77,801 men engaged in this pursuit and 13,563 more in the lobster industry. The former used vessels, boats, fishing-gear and fixtures valued at $11,305,959. They used 1,296 vessels valued at $2,620,661 and 41,662 boats valued at $1,199,598. The approximate value of freezers, ice and smoke-houses, etc., was $3,153,838. Of the separate industries the lobster plant—chiefly in Nova Scotia but also in New Brunswick, Prince Edward Island and Quebec—was valued at $1,287,656 and comprised 723 canneries—with 13,563 persons employed. The salmon canning industry of British Columbia comprised 75 establishments valued at $1,500,000, employing 17,098 persons and preserving over 30,000,000 cans of salmon.

The sealing fleet of British Columbia during 1902 consisted of 34 schooners with 335 boats and canoes, manned by 858 sailors and hunters, and valued at $452,000. The total Federal expenditures on the Fisheries of Canada in the fiscal year 1902 were $527,944 of which $77,330 went to fish-culture, $145,137 to the Fisheries' protection service and $159,853 was distributed as fishing bounties. Of the latter sum Nova Scotia received $100,455, Quebec $36,125, New Brunswick $14,555 and Prince Edward Island $8,716. It may be added that Canada's immense sea-coast line of 5,600 miles on the coast of its Maritime Provinces and of 7,180 miles on the British Columbia coast; as well as its 72,700 square miles of fresh-water in the Great Lakes; make its Fisheries the most extensive in the world. Since 1869

they had produced $125,200,083 worth of cod; $74,552,814 of salmon; $68,645,095 of lobsters; $66,106,645 of herrings; $43,444,702 of mackerel.

Canadian official figures do not indicate the fact but United States Fish Commission reports show that during eleven years prior to 1903 the whale fisheries of Hudson's Bay realized a total value of $1,371,000 for 50 voyages by United States vessels, or $27,430 per voyage. The work of the Marine and Fisheries Department in Canada during 1903 was extensive. Fish-culture, oyster culture, bait, cold storage and similar matters occupied much attention. The Hon. Mr. Prefontaine, the new Minister, took steps to place the cured herring industry upon a better basis —one much needed in view of the fact that the United States instead of getting its supply from Canada actually went to Norway, the Netherlands and Scotland. A Fisheries Commission was appointed at the end of November composed of Colonel J. J. Tucker, M.P. (Chairman), Mr. A. J. S. Copp, M.P., Messrs. R. E. Armstrong, E. C. Bowers, R. N. Venning, and Rev. Father Turbide, to investigate various sea-fishery problems on the Atlantic coast. Some 12 initial sittings were held up to the end of the year and evidence taken as to conditions in the herring fisheries of the Bay of Fundy, in the sardine fishery of New Brunswick, in the lobster industry and in connection with the dog-fish pest.

The Nova Scotia Fishing Interests

The changing conditions of fishing in all the Maritime Provinces, as well as in far-way British Columbia, attracted considerable discussion during 1903 in Nova Scotia, the chief productive Province of the Atlantic in this respect. On Apl 7th Mr. William Whitman presented an elaborate Report to the Legislature from a Committee, appointed earlier in the present Session, to inquire into the general condition of the Fisheries and transportation facilities. The document described the position of affairs in the lobster fisheries in relation to oyster culture, fresh fish carried by subsidized steamboats, bait refrigerators for deep-sea fishermen, enlarged markets, freight rates, etc. The Committee made the following recommendations:

1. That ponds be established at certain suitable points on the coast of the Province for the propagation of lobsters.
2. That licenses be issued under due restrictions and at a nominal figure to fishermen and traders along the coast to impound, sell and export live lobsters for 15 days after the expiration of the open season.
3. That refrigerator cars, under certain detailed conditions, be attached to the Intercolonial Railway trains between Mulgrave, St. John, Halifax and Montreal.
4. That steps should be taken to secure better and closer freight connections for points west of Montreal and in the New England States.
5. That subsidized steamboats in the coasting trade be required to give special attention to the needs of the fresh fish trade.
6. That one or more mechanical refrigerators, capable of storing bait to supply vessels engaged in the deep-sea fisheries, be established at Canso and other points.

7. That any islands on the coast of Nova Scotia granted or leased to private parties, and now subject to forfeiture to the Crown, be escheated, and that in passing grants or leases in the future the fishing privileges be reserved.

8. That in granting lands the Crown Lands Department take every precaution to conserve the right that the people of Nova Scotia have hitherto enjoyed of fishing in the inland waters of the Province.

The Report was approved by the House and duly adopted. To the Halifax *Herald* of Oct. 21st, Mr. H. E. Baker, a prominent lobster packer of Cape Breton, N.S., explained the situation in this fishery. A few years before the coastal waters of the Province were teeming with lobsters and so numerous were they that 50,000 had been caught by one man in three months and as many as 2,000 had been taken in a day by 100 traps. "To-day it is considered an excellent catch for 150 traps to capture 10,000 in a season." Unless something was done to conserve the supply it would go the way of the lobster in Maine, Massachusetts and Norway. Mr. Baker's plan to meet the situation was summarized as follows:

My scheme is to pay the fishermen 40 per cent. to 50 per cent. more for the lobsters with the eggs on them and thus induce the fishermen to bring them to the cannery in perfect condition. This scheme I have successfully carried on at Fourchie, C.B. The lobsters are deposited in a large pound or water enclosure, which gives suitable environment in every respect. In this pound they are kept while the fishing operations are going on, are fed and taken care of in every way and at the end of the season, when the traps are hauled ashore and the eggs have been matured, these mother lobsters are liberated along the coast to hatch their eggs in a natural way. Last season about 500,000,000 eggs were thus saved to the supply that would, under the conditions hitherto prevailing, have been destroyed.

Meanwhile, Lunenburg, N.S., which lives largely by its shore and Newfoundland bank fisheries, had been suffering severely from a scarcity of bait and from the poorest catch in 30 years.

The Fisheries of British Columbia

The greatest fishing interest of this Province is its salmon and for some years the production has been steadily diminishing. In 1901 it was $6,567,956; in 1902 it was $3,753,874; in 1903 it was reported to be the smallest since 1892 and to total only 473,547 cases as against 625,982 cases in 1902 and 1,236,156 in 1901. The reasons for this lessening in production were mainly two—the strikes of the years in question and the competition of the United States fishermen in the Puget Sound through cheaper methods of fishing and the use of traps, purse and drag seines. On Feb. 20th the Victoria Chamber of Commerce passed a Resolution asking the Dominion Government to grant the same privileges in fishing to Canadians. In April the British Columbia Fisheries Commission, which had been appointed early in 1902 and had carefully investigated the complicated views enter-

tained regarding this question,* reported to the Government in a document signed by Prof. E. E. Prince, Dominion Commissioner of Fisheries, Ralph Smith, M.P., George Riley, M.P., and Aulay Morrison, M.P. The Report declared that the changed conditions in the salmon industry demanded alterations in both method and regulations:

> It is clear that the trap-nets of which three or four hundred are set on the United States shore have induced a new phase which did not exist when the present regulations were framed. It is undeniable that a large portion of the salmon schools coming in from the open sea through Fuca Strait, and making for the Fraser River, are caught by the United States traps. It is alleged that the cost of these fish to the United States canners is considerably less than the cost of the fish caught by the Canadian fishermen to the Canadian canners.

It recommended that the use of purse seines be permitted in order that the schools of fish could be broken up and the present catches in traps lessened so as to lengthen the fishing season by some two weeks; and with a view to employing white rather than Jap labour and to afford a privilege which could not be monopolized by capitalists. As to trap nets the Commissioners reviewed the arguments of the two sides but were not very positive in their own conclusions. They thought the Government should not operate traps; that auctioning trap-locations was not advisable; that white labour only should be employed; that the British Columbia coast was not as well suited to trap-nets as the United States coast; that it was not clear they could be very generally operated; that on the other hand the British Columbia canners were entitled to use the most efficient and economical methods of fishing; that if permission were finally given by the Government certain details should be considered.

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* NOTE—See *The Canadian Annual Review* for 1902, pages 291-4.

X.—THE TRADE AND COMMERCE OF CANADA

General Commercial Conditions

The bounding upward movement of Canadian trade continued in both the fiscal and the calendar year of 1903. The total for the former period was $467,064,685 as compared with $423,910,444 in 1902 and $386,903,157 in 1901. The imports for the year ending June 30th, 1903, were $241,214,961 as against $212,270,158 in 1902; and the exports were $225,849,724 as compared with $211,640,286 in 1902. Of the imports in 1903 the dutiable merchandise was $136,796,065, the free merchandise $88,017,654 and the coin and bullion $8,976,797. The duty collected was $37,110,354. The following statistical tables will be of value in this connection:

I.—*Relative Increase in the Trade of Nations.*

Country.*	1897.	1902.	Increase.	Percentage of Increase.
Canada	$ 266,218,094	$ 439,212,202	$172,984,108	64·97
Italy	440,683,269	626,893,133	186,209,864	42·27
Argentina	192,477,209	272,637,574	80,160,365	41·64
Japan	189,541,081	262,443,241	72,902,160	38·49
United States	1,826,341,567	2,417,983,175	591,641,608	32.39
Cape Colony	178,862,916	233,312,649	54,449,733	30·44
Germany	1,979,130,030	2,453,491,000	474,361,000	23·96
Great Britain	3,334,876,851	3,950,834,168	615,957,317	18·47
Belgium	675,381,112	797,746,000	122,364,888	18·11
Switzerland	332,807,773	386,543,454	53,735,681	16·14
France	1,457,922,000	1,669,960,000	212,038,000	14·54

II.—*Canadian Export Trade by Countries, 1903.*

Product.†	To Great Britain.	To United States.	To other Countries.
The Mine	$ 597,130	$29,546,605	$ 921,126
The Fisheries	3,904,793	3,760,266	4,135,125
The Forest	16,742,435	16,977,232	2,666,348
Animals and their produce	62,998,927	5,319,198	1,499,417
Agricultural	34,206,693	3,882,282	6,535,346
Manufactures	6,728,298	8,236,129	5,660,540
Miscellaneous	21,704	44,655	17,425

III.—*Three Years' Progress in Canadian Exports.*

Product.	1901.	1902.	1903.
The Mine	$40,531,314	$35,091,228	$31,235,165
The Fisheries	10,730,999	14,187,070	11,826,646
The Forest	30,276,180	32,130,913	36,431,114
Animals and their produce	56,299,282	59,830,152	70,466,619
Agricultural	38,568,052	47,541,843	51,572,889
Manufactures	17,751,350	20,835,408	22,880,176
Miscellaneous	351,966	354,250	817,152

IV.—*Relative Increase in the Exports of Nations.*

Country.	1892.	1902.	Percentage of Increase.
Canada (*a*)	$ 105,488,798	$ 214,401,674	103·25
Japan	63,825,743	127,326,158	99·49
United States (*a*)	831,030,785	1,392,231,637	67·53
Cape of Good Hope	46,170,126	777,051,256	66·89
Germany	703,078,000	1,113,313,000	58·35
Netherlands (*b*)	457,196,822	695.762,588	52·18
Australia (*b*)	175,212,872	241,794,530	38·00
Egypt	65,946,135	87,080,846	32·05
India, British (*c*)	310,074,240	408,431,355	31·72
United Kingdom	1,105,748,606	1,379,282,731	24·74
France	667,922,000	817,725,000	22·43
Russia (*d*)	378,452,580	368,955,242	2·51‡

NOTE.—(*a*) Years 1893 and 1903, ending June 30th. (*b*) Years 1891 and 1901, ending December 31st. (*c*) Years 1893 and 1903, ending March 31st. (*d*) Years 1891 and 1900, ending December 31st.

* NOTE—Monthly Report, Department of Trade and Commerce, July, 1903.

† NOTE—Merchandise the Produce of Canada only. Compiled from the Trade and Commerce Department's Returns.

‡ NOTE—Percentage of decrease.

Canadian imports from Great Britain in 1903 included $42,210,165 dutiable ($9,841,627 duty) and $16,582,873 free; and from the United States $68,538,323 dutiable ($17,069,881 duty) and $60,251,914 free. The average *ad valorem* rate of duty on the dutiable imports from Great Britain was 23·316 per cent. and from the United States 24·905 per cent. The imports from the British Empire totalled $64,848,482 as against $53,647,055 in 1902. From Foreign countries they increased from $142,833,135 to $159,965,237. Reporting to his Department on Oct. 12th United States Consul H. S. Culver wrote from London that the prosperity of Canada continued unabated and that she was establishing a rapidly-increasing export trade with the Mother Country. As her trade expanded her desire for United States Reciprocity lessened, her natural resources became better understood, she exercised a greater economic influence upon the Empire and the people became "more exuberantly hopeful" as to some day supplying the great bulk of British food requirements.

Canadian Trade Interests with Great Britain

The particulars of British trade are essential to any clear conception of Canada's commercial interests. During the calendar year 1902 the total exports of the United Kingdom in manufactured or partly manufactured goods to Foreign countries were $640,849,919 and to British countries $466,984,474; while her total of manufactured imports from seven specified Foreign countries was $562,436,779. The progress of this trade may best be seen in the following tabulated statement:

Country.	British Export of Manufactures to		British Import of Manufactures from	
	1894.	1902.	1894.	1902.
Germany	$ 70,807,575	$ 80,014,993	$ 50,377,322	$ 78,141,873
Belgium	33,233,329	34,362,356	58,925,441	110,660,404
Holland	39,598,711	33,233,329	78,354,495	96,291,036
France	49,321,977	49,881,625	121,966,549	151,209,056
Russia	27,408,128	30,216,099	14,260,436	15,012,199
Italy	14,813,626	17,412,337	8,654,311	9,263,315
United States	80,122,056	94,741,022	52,627,810	101,858,896
	$315,305,402	$339,861,761	$385,166,364	$562,436,779

Meanwhile, the increase in British exports of manufactured goods to British countries had been from $319,480,858 in 1894 to $466,984,474 in 1902. The annual Report of Lord Strathcona, as High Commissioner in Great Britain, was dated February, 1903, and reviewed the condition of trade affairs in 1902 at length. He referred to the fact of Canadian cattle shipped from United States ports appearing in the British trade returns as exports from that country and not Canada; to the apparent permanence of the restrictions against the import of live cattle and to the probability that they did not greatly affect Canadian interests; to the steady demand in Great Britain for good working horses at a moderate price; to the fact that Canada was now the second largest shipper of wheat to the United Kingdom; to the increase in the import of flour from the Dominion which, in this respect, was now second to the United States; to the important

openings in the British demand for barley for malting purposes, and for poultry; to the falling-off in Canadian exports to Great Britain in barley, oats and peasc, and in bacon; to the desirability of taking action in the way of encouraging pulp-wood manufacture and export and the establishment of sulphite mills in Canada.

According to the British Board of Trade returns for 1902 the imports of grain, flour and other food products included £2,146,906 worth from Russia; £14,475,061 from the United States; £1,463,981 from the Argentine; £2,938,008 from India; £1,482,956 from Australia; £3,193,749 from Canada; and the rest scattering in small amounts, and making a total of £27,058,049. During the year various Reports were received by the Canadian Department of Trade and Commerce from its commercial Agents in Great Britain pointing out many details in the way of improving local trade opportunities.

Trade Relations with Australia

During 1903 the two Canadian Government Agents in Australasia—Mr. J. S. Larke at Sydney dealing with New South Wales, Queensland and New Zealand and Mr. D. H. Ross at Melbourne dealing with Victoria, South Australia, Western Australia and Tasmania—sent frequent Reports to Ottawa as to prevailing local condition and opportunities for the extension of Canadian trade interests. The exports of Australia to Canada are very small. In 1901 they were $178,560 and in 1902 $130,255. The imports from Canada in 1902 totalled $776,865 or an increase of $60,000 over 1901. They included chiefly agricultural implements, bicycles, flour, and timber. From the United States in 1902 Australia imported $10,526,320 worth and in return exported $10,462,475.

The end of the long and injurious drought came in 1903 and, although labour troubles had a bad effect, the prospects of the Commonwealth and the confidence of its people grew steadily brighter and stronger. The value of the Commonwealth imports in 1902-3 was $198,898,800 and of its exports $219,662,530—a decrease in the former of $5,680,000 and in the latter of $28,765,000. The gold production, however, showed an increase and totalled in 1902 $85,796,180, and the harvest of 1903 was a signally bountiful one.

In the letters of Mr. Larke and Mr. Ross frequent reference was made to the complaints of Australian purchasers of Canadian products. Bad or careless packing of the goods; delayed shipments, causing partial or total loss to the purchaser; the receipt of mouldy wheat or inferior oats; no allowance made for exchange; defective invoices, involving in some cases law costs and customs fines; the substitution of other goods for those ordered, etc. Apart from the general elections of the year there were many references to a coming Preferential tariff;* and to that which

* NOTE—See also pages 313-5 of this volume.

New Zealand inaugurated late in the year. The import trade of this country in 1902 was $55,123,385, of which total only $9,274,728 came from Foreign countries; the export trade was $66,405,554 of which amount $3,000,298 went to Foreign countries. The Islands took from Canada in the year ending June 30th, 1903, $462,538 worth of goods and sold the Dominion only $91,903 worth. Writing on Oct. 19th, Mr. Ross described the adoption of the Preferential policy in Australia as most probable in the near future and continued: "That the preference in customs duties will be extended to Canada, upon a reciprocal basis, is almost beyond question. What the latter means to the Canadian exporter can be easily realized by a study of the enormous increase, in recent years, of Australian importations of goods from the United States." Speaking at Ballarat on Oct. 30th, the Hon. Mr. Deakin, Premier of the Commonwealth, said:

> I have been asked whether, when Mr. Chamberlain makes specific proposals, the Commonwealth Government will be prepared to consider reductions as well as increases. I say certainly we will. We shall be prepared to take them, item by item, and consider the circumstances of each industry. We shall be prepared to make reductions or increases, as the case may require. The misfortune is that we have not the protective tariff we would like and it scarcely admits of reduction. The *ad valorem* rate in Russia is 132 per cent.; in the United States, 72 per cent.; France, 30 per cent.; Germany, 25 per cent.; Canada, 16 per cent.; New Zealand, 9 per cent.; Australia, 7 per cent.; South Africa, 6 per cent. Only one country has a lower *ad valorem* rate than Australia. Canada has the opportunity for reductions; our opportunities are not so great. But we shall gladly take advantage of them, and where we can not grant reductions we shall increase the duties against the foreigner. We shall deal with Preferential trade as we have dealt with either subjects of a similar nature—in a liberal spirit.

Trade Relations with South Africa

In 1903, at various dates, the Preferential tariff system of the British South African countries—Cape Colony, Transvaal, Natal, Orange River and Rhodesia—was established and, under its conditions, Mr. J. G. Jardine, the Canadian Commercial Agent, stated in one of his numerous Reports, that trade should increase with Canada by leaps and bounds. Internal conditions did not, however, seem to be very promising for the near future although Rhodesia was progressing and some of the revenues growing. Writing on July 10th, Mr. Jardine described general trade conditions in Bloemfontein, Pretoria, Kimberley, Bulawayo, Durban and Cape Town as distinctly depressing. Labour difficulties and the impossibility of getting any adequate work out of the indolent negroes were probably the chief reasons. As to Canadian trade there was, he pointed out, in several letters, ample room for increase in the supply of agricultural implements; in flooring and ceiling boards and other timber products, such as doors and window sashes; in railway sleepers, household furniture and office requirements. The packing of exporters he found no fault with but did deprecate the prolonged delays in shipment.

The imports of Cape Colony during 1902 totalled $166,539,-766 including animals, food and drinks to the value of $49,749,-407, building materials $14,849,013, textile fabrics, dress, etc., $34,432,529; while the exports were $84,953,170 of which $20,-089,094 was composed of animal and vegetable substances and $57,681,052 was made up of minerals, metals and precious stones. From Canada came a total of only $218,469 worth while the United Kingdom sent $108,550,951 and the United States $15,847,911—double its export in 1901. To Canada went $11,-553 worth, to the United States $25,953, and to Great Britain $77,732,916. Natal imported to the value of $76,192,787 and exported a total of $51,23,439. Of its imports $40,167,929 came from Great Britain and quantities ranging from two to seven millions came from Australasia, India, Germany and the United States. From Canada came only $81,205. Of the exports Great Britain took $10,804,350 while $28,146,746 was made up of goods exported overland for the other colonies. In the returns of both Natal and Cape Colony, and of imports as well as exports, this trade done for the inland countries is necessarily included.

Trade Relations with the United States

In the year ending June 30th, 1903, the imports of the United States were $1,025,719,237 of which $599,538,258 were dutiable and $426,180,979 free of duty. The total exports were $1,420,141,679 of which $27,910,377 were Foreign goods. The year showed an increase of $119,000,000 in imports and $38,000,000 in exports while the excess of exports over imports was reduced by $84,000,-000.* According to Canadian official Reports the total import from the British Empire was $328,506,733 in 1902-3 and the total export $747,546,485. From Canada the imports were $67,-766,367 and to Canada the exports were $128,790,237. The chief items in Canadian trade with the United States for the year ending June 30th, 1903, were as follows:

Products.	Imports from United States.	Exports to United States.
Animals	$ 2,794,069	$ 2,445,426
Grain and other breadstuffs	10,695,611	1,030,679
Carriages, etc.	1,101,253	59,812
Coal	14,487,297	4,701,659
Coke	1,152,287	.....
Cordage, etc.	2,169,313	94,753
Cotton Wool, etc.	5,936,725	.....
Drugs, Dyes, etc	3,297,532	850,237
Electric Apparatus	1,580,021	.....
Fish, etc	.....	3,731,974
Fruits	3,003,874	209,393
Fur Skins	1,190,314	853,126
Gold	.....	16,484,142
Gutta Percha, etc	2,390,103	.....
Hats, Caps, etc	1,212,219	.....
Hides and Skins	2,613,520	1,898,221
Hay	.....	1,925,490

* NOTE.—United States Department of Commerce and Labour Report, February, 1904.

Products.	Imports from United States.	Exports to United States.
Leather and Manufactures of	1,530,248	.....
Brass and Manufactures of	1,004,430	.....
Copper and Manufactures of	1,496,507	.....
Silver Ore	.....	1,804,592
Agricultural Implements	3,131,480	39,274
Iron and Steel and Manufactures of	25,118,636	3,632,613
Flax Seed	1,303,758	.....
Provisions	1,778,085	103,922
Settlers' Effects	5,287,883	1,297,117
Tobacco and Manufactures of	2,357,534	253,774
Wood and Manufactures of	6,701,139	18,911,924

TRADE INCIDENTS OR INTERESTS

Mch 31.—Official figures published by the Canadian Department of Trade and Commerce show the total trade of Newfoundland for the year ending June 30th, 1902, to be $17,389,209 of which the imports are $7,836,685 and the exports $9,552,524. Of the former $2,244,179 came from Great Britain, $2,612,043 from Canada, and $2,501,806 from the United States. Of the latter $2,104,932 go to Great Britain, $1,046,109 to Canada, $1,711,520 to Brazil, $1,452,944 to Portugal and $1,207,461 to the United States.

Apl 23.—Mr. Edgar Tripp, Canadian Agent in Trinidad, informs the Government that direct trade with the United States is rapidly increasing and a new line of monthly steamers from New York is to be put on the route. He urges the shipment and sale of Canadian coal to the Island.

June 30.—The Hon. George Goodwill, M.L.C., of Trinidad, and a Delegate at the Congress in Montreal, writes a letter urging the union of the British West Indies with Canada.

Aug. 6.—Mr. T. Geddes Grant of Trinidad tells the Toronto *News* that Canadian manufacturers are waking up to the value of the West Indian market and adapting themselves to its conditions. Canadian products are obtaining a strong hold though much remained to be done and he instances flour as a product in which Canada was far out-done by the United States.

Aug. 29.—In an interview at Montreal Mr. Howard Bouverie of Sydney, Australia, declares that country to be prospering, to be stronger than ever in Imperial sentiment and to be a splendid market for Canadian products—especially flour, furniture and other manufactures. He urges Canadians to come in and compete with the United States.

Aug. 31.—The total output of the Rand Mines in the Transvaal is £7,803,686 for the 8 months of 1903 as compared with £7,269,888 in the whole of 1902 and the ante-War production of £15,782,640 in 1899.

Dec. 2.—The Right Hon. R. J. Seddon, Premier of New Zealand, sends the following cable to the Prime Minister of Canada : "Preferential Trade Bill passed, 50 to 16, House of Representatives, and in Legislative Council without division ; practically unanimous. New Zealand has kept good faith and given its first instalment of Preferential trade to the Empire."

XI.—FINANCIAL INTERESTS AND AFFAIRS

Canadian Business Conditions in 1903

Apart from the fluctuations of the stock market and its consequences, and certain industrial troubles, the financial record of the year in Canada was one of great progress and prosperity. Addressing the shareholders early in this period—Jan. 13th—Senator George A. Cox, President of the Canadian Bank of Commerce, accurately described the condition of affairs at that date: "During the past five years the people of Canada have grown in wealth at an unprecedented rate, and they have invested their savings in private and public securities to a degree much greater than in the past. When, after the opening of navigation, we begin to feel the effects of the marketing of the great crops of the North-West, a large additional supply of money will be unlocked. But against all this we are spending money in public and private ventures in a larger way than ever before, and unless great prudence is exercised our imports will run ahead of our exports, and our capacity to supply capital for our new undertakings will surely be exhausted." In the Toronto *Globe* of Apl 8th there appeared an elaborate study of recent development as shown in the investment of Canadian capital in new enterprises and the enlargement of old ones. Detailed figures were given of the varied investments of the past four years in Banks, Insurance companies, Transportation and Industrial concerns and by increased or supplementary capital. The totals were as follows:

Banks, Insurance, Trusts	$ 22,560,000
International Railways	3,000,000
Transportation	42,112,000
Industrials	77,000,000
Miscellaneous Incorporations	187,000,000
Supplementary Capital	33,500,000
Mining	10,000,000
	$375,172,000

The accuracy of these calculations, in the main, was accepted by Toronto financiers—notably by Messrs. E. R. Wood and D. R. Wilkie—except as to the miscellaneous total in which, it was pointed out, there were many companies which never went beyond incorporation and others in which the stock was watered. The *Globe* reviewed this consideration on Apl 11th and concluded as follows: "On the other hand, the $187,000,000 does not include: (1) companies incorporated in other Provinces by special Act, (2) companies incorporated in other Provinces, (3) companies mentioned elsewhere in the article, (4) the capital that has gone into thousands of private firms great and small all over the country. When these omissions are considered it is possible

that the $187,000,000 is not so far beyond the mark after all." Addressing the Eastern Townships Bank shareholders at Sherbrooke, Quebec, on June 3rd, President William Farwell described the business of the country in the year ending May 15th as having been prosperous and manufacturing enterprises as fairly successful. The lumber and pulp-wood, and mining and dairy interests, were singled out in this respect. At the Bank of Hamilton annual meeting at Hamilton, on June 15th, Mr. J. Turnbull, the General Manager, reviewed conditions as follows:

> The general prosperity of the country continues, and I see nothing ahead to indicate a cessation. The large immigration presently existing, especially in the North-West, must bring a good deal of money into the country and, what is worth more than money, a good class of settlers, prepared and destined, no doubt, to take a part, like their predecessors, in the rapid and permanent upbuilding of this great country. Manufacturing is becoming more and more extended, and we are becoming less and less dependent upon foreign goods. On the other hand, our exports keep increasing as to quantity and improving as to quality. We keep learning, year by year, better methods of manufacturing, packing and shipping, and the result, of course, cannot fail to bring not only largely increased returns, but much more profitable ones. A danger to be guarded against, of course, in a rapidly growing country like this, is the tendency to become over-sanguine and over-speculative.

Senator George A. Drummond, Vice-President of the Bank of Montreal, addressed the annual meeting of that institution on Dec. 7th and, after describing the general trade of the country during 1903 as prosperous, went into the following detail: "Dry goods—an unusually good year; wool—a good demand at good prices; iron and hardware—an excellent year's business at fairly remunerative returns; leather exports—an increase of late at prices netting shippers good returns; boots and shoes—a very good year's trade; groceries—a satisfactory year's business, materially greater than last year; lumber—a very satisfactory year at prices 10 to 15 per cent. higher than last year; cheese—the most profitable for years." *Bradstreet's* financial review of the year (issued on Jan. 2nd, 1904) summarized the record as follows:

> Canada has completed the most successful year in her history. Trade from the first day of 1903 to the last day of the year has been as steady and uninterrupted as it has been unprecedented. The increase in the foreign commerce of the country and the expansion in the internal trade are equally striking. Sales of domestic and imported goods of all descriptions have increased enormously. Not only has the value of business increased, but profits have been generally better than in previous years. . . . The material wealth of the country has been largely added to, as shown by the increase in the public deposits in the banks and other financial institutions, by the extension in old lines of business and the establishment of new concerns, the large investments made in industries connected with the development of the vast natural resources of the Dominion, and, lastly, by the addition to the population of the country of 125,000 to 150,000 first class settlers.

The failures of 1903, according to R. G. Dun & Company's annual statement, were 978 in number with assets of $4,872,422

and liabilities of $7,552,724 as compared with 1,101 in 1902, having assets of $7,772,418 and liabilities of $10,934,777.

Banking Progress and Statistics

During the year a number of banks increased their paid-up capital including the Bank of Montreal to the extent of $2,000,000; Bank of Toronto $461,910; Molsons Bank $423,085; Eastern Townships Bank $444,885; Union Bank of Halifax $119,450; People's Bank of Halifax $293,565; Union Bank of Canada $253,280; Canadian Bank of Commerce $700,000; Royal Bank of Canada $519,000; Dominion Bank $82,532; Merchants Bank of Prince Edward Island $43,768; Bank of Hamilton $217,330; Bank of Ottawa $480,670; Traders Bank of Canada $483,174; Sovereign Bank of Canada $36,236. In connection with this increase of paid-up capital totalling $5,767,000, the authorized capital had been increased by $13,714,100 including the Bank of Montreal $2,000,000; Bank of Toronto $1,000,000; Molsons Bank $2,500,000; Eastern Townships Bank $1,000,000; Union Bank of Halifax $1,294,100; People's Bank of Halifax $700,000; Union Bank of Canada $1,000,000; Canadian Bank of Commerce $2,000,000; Royal Bank of Canada $1,000,000; Dominion Bank $1,000,000; Bank of Ottawa $1,000,000; Traders Bank of Canada $500,000.

The total assets of the 33 Canadian Chartered Banks on Dec. 31st, 1903, were $663,145,534 as compared with $625,388,209 on Dec. 31st, 1902. The total liabilities were at those dates, respectively, $525,924,229 and $499,508,534. During the year the circulation of bank notes increased by $1,965,263; the amount of deposits (current and at interest) $27,029,050; the amount of discounts or current loans $46,025,869; the capital stock paid-up $5,767,796. The call loans decreased by $21,068,854. The following table is a condensed summary of the individual position of the Banks on Dec. 31st, 1902.*

* NOTE—Official figures issued by Mr. J. M. Courtney, C.M.G., I.S.O., Deputy Minister of Finance. For similar statement to Dec. 31st, 1902, see *The Canadian Annual Review*, 1902, page 315.

Condensed Summary Statement of Canadian Banks, Dec. 31st, 1903.

NAME.	Total Assets.	Total Liabilities.	Paid-up Capital.	Reserve Fund.	Call and Short Loans.	Current Loans.	Notes in Circulation.	Deposits on Demand.	Deposits on Notice.	Specie and Dominion Notes held.
	$	$	$	$	$	$	$	$	$	$
Bank of Montreal	117,272,747	92,171,864	14,000,000	10,000,000	18,685,877	71,715,125	9,179,709	23,372,722	37,343,924	7,995,169
Bank of New Brunswick	5,178,622	3,907,151	500,000	775,000	965,754	2,833,756	483,496	752,114	2,494,236	375,241
Quebec Bank	12,703,468	9,048,228	2,500,000	900,000	1,702,406	8,051,455	2,009,320	2,845,643	3,923,846	726,919
Bank of Nova Scotia	29,072,125	23,839,903	2,000,000	3,100,000	4,755,648	12,663,332	1,828,885	6,567,089	11,403,628	3,669,701
St. Stephen's Bank	708,901	447,856	200,000	45,000	.....	516,217	132,800	119,877	178,621	30,115
Bank of British North America	38,457,902	30,211,616	4,866,666	1,898,000	6,028,239	19,828,184	2,790,301	5,403,550	8,809,703	2,554,604
Bank of Toronto	25,662,293	19,243,123	2,961,910	3,161,910	1,635,497	16,922,775	2,660,351	4,579,553	11,017,146	1,901,275
Molson's Bank	26,744,970	20,692,691	2,923,085	2,720,778	2,074,107	17,434,870	2,646,232	4,716,935	12,942,740	1,746,132
Eastern Townships Bank	14,533,647	10,436,199	2,443,715	1,450,000	773,920	10,935,165	1,701,240	1,730,947	6,881,380	718,009
Union Bank of Halifax	10,461,436	8,024,248	1,324,450	902,057	375,597	7,529,192	1,207,127	850,620	4,565,473	600,637
Ontario Bank	14,435,564	12,203,103	1,500,000	500,000	707,307	10,813,658	1,398,913	2,447,112	7,778,004	408,332
Banque Nationale	9,359,720	7,214,536	1,500,000	400,000	261,256	7,796,887	1,287,449	1,318,384	4,357,290	307,044
Merchants Bank of Canada	40,513,096	31,313,053	6,000,000	2,900,000	5,256,951	19,519,053	4,787,394	6,301,576	18,632,731	2,611,285
Banque Provinciale du Canada	4,750,463	3,902,130	823,332	Nil.	1,407,217	1,969,654	760,740	317,516	1,743,143	68,904
People's Bank of Halifax	5,555,698	4,031,825	993,565	417,433	148,180	4,481,756	892,586	589,611	2,211,927	2,243,636
People's Bank of New Brunswick	969,887	575,716	180,000	170,000	.....	792,508	147,826	121,688	277,690	46,638
Bank of Yarmouth	791,091	420,867	300,000	50,000	.....	662,243	63,884	48,790	271,853	33,890
Union Bank of Canada	20,734,027	17,028,188	2,498,080	1,000,000	581,722	16,417,855	2,283,561	5,004,708	8,395,457	1,535,698
Canadian Bank of Commerce	83,224,326	71,285,614	8,700,000	3,000,000	10,217,618	49,534,694	7,122,814	17,258,784	38,088,352	6,268,927
Royal Bank of Canada	25,166,736	18,914,031	3,000,000	3,000,000	2,467,046	13,694,844	2,303,518	3,621,266	10,156,073	2,268,831
Dominion Rank	35,745,198	29,099,015	3,000,000	3,000,000	4,121,069	21,409,271	2,721,874	7,683,740	18,663,737	2,865,705
Merchants Bank of P. E. I.	2,073,690	1,456,921	343,781	266,000	.....	1,747,290	304,756	540,283	566,111	81,009
Bank of Hamilton	24,111,689	19,801,643	2,217,330	1,884,730	1,854,380	15,076,493	1,897,646	4,483,070	12,374,562	1,935,545
Standard Bank of Canada	14,963,530	12,788,600	1,000,000	925,000	341,569	9,814,533	862,930	2,817,362	8,502,221	762,721
Banque de St. Jean	757,319	460,911	265,499	10,000	.....	637,064	134,788	20,401	289,971	14,265
Banque d'Hochelaga	13,661,865	10,455,787	2,000,000	1,050,000	831,561	9,180,196	1,797,313	1,993,298	6,137,949	613,225
Banque de St. Hyacinthe	1,481,013	1,029,640	329,515	75,000	.....	1,200,750	265,820	61,436	684,030	60,992
Bank of Ottawa	21,179,209	16,151,853	2,480,670	2,297,603	1,304,716	14,272,263	2,222,441	2,858,641	10,540,607	1,292,632
Imperial Bank of Canada	30,127,326	24,038,986	2,993,575	2,650,000	3,051,972	16,497,052	2,683,416	7,058,225	13,975,507	1,509,051
Western Bank of Canada	4,536,720	3,837,562	434,889	175,000	.....	2,577,157	377,185	703,011	2,711,411	53,010
Traders Bank of Canada	17,383,136	14,746,069	1,983,174	450,000	2,405,146	10,370,966	1,881,255	2,991,152	9,720,718	1,195,952
Sovereign Bank of Canada	7,331,207	5,666,620	1,300,000	325,000	1,418,463	4,482,960	1,175,150	1,108,127	3,131,453	375,951
Metropolitan Bank	3,496,913	1,478,680	1,000,000	1,000,000	647,832	1,656,977	526,687	241,801	556,294	171,341
	$663,145,534	$525,924,229	$78,563,236	$50,598,511	$74,021,050	$403,036,195	$62,539,407	$120,529,032	$279,327,288	$47,042,386

Bank Changes and Appointments in 1903

The increase in business which caused so many additions to capital stock in banking institutions, increased the circulation of notes, and resulted in legislative proposals at Ottawa looking to an increase in Dominion currency also affected other elements of banking expansion. On Mch 4th it was announced that the Canadian Bank of Commerce had made an arrangement to absorb the Halifax Banking Company with its 15 branches in Nova Scotia and two in New Brunswick. This institution had commenced business on Sept. 3rd, 1825, and at this time had a capital of $600,000 with a reserve fund of $525,000. Its shareholders ratified the amalgamation on Apl 20th and those of the Canadian Bank of Commerce did so at a meeting on Apl 14th—held nominally for the purpose of authorizing an increase of capital from $8,000,000 to $10,000,000.

In a brief speech Mr. B. E. Walker, General Manager, explained the arrangement by which the shareholders of the Halifax Banking Company were to be given 14,000 shares of stock in the larger institution—with a present face value of $700,000—and a small sum in cash. Its President, Mr. Robie Uniacke, would remain as Chairman of an Advisory Board at Halifax and Mr. H. N. Wallace would take charge of the business at that point. He proceeded to explain the value of this extension of business into new fields. As in the case of the acquisition of the Bank of British Columbia in the preceding year, there was no waste from duplication as they had had no branches or direct business in the Provinces concerned. On May 20th it was announced that the Bank of Montreal had acquired the Exchange Bank of Yarmouth, in Nova Scotia, with its capital paid-up of $266,896 and reserve fund of $50,000. For the stock the shareholders received $80 per share, or $10 bonus on the present value, and the institution became a branch of the Bank of Montreal with the late Cashier, Mr. T. V. B. Bingay, remaining as Manager.

A large number of new banks were incorporated during the Parliamentary Session of 1903—the City and County Bank of Canada, the Home Bank of Canada, the Northern Bank, the Pacific Bank of Canada, the Sterling Bank of Canada, the Citizens Bank of Canada and the Alliance Bank of Canada. Some of these institutions were not upon a footing which promised immediate organization; others were taken hold of by strong financial interests and put in the way of establishment. Amongst these latter were the City and County Bank of Ottawa with a capital of $1,000,000, and Provisional Directors including Messrs. J. Roberts Allan, C. J. Booth, Thomas Birkett, M.P., Charles Magee and B. Rosamond, M.P.; and the Crown Bank of Canada at Toronto with a capital of $2,000,000 and with Messrs. R. Y. Ellis, Edward Gurney, C. Adams, P. H. Burton, J. L. Coffee, J. C. Copp, E. F. B. Johnston, K.C., and John White (Woodstock) as Provisional Directors. The two concerns amalgamated their

interests under the latter name and by the close of the year were nearly prepared to commence business.

The Northern Bank was to have its headquarters at Winnipeg and its Provisional Directors included Sir D. H. McMillan, Lieut.-Governor of the Province, and Messrs. F. W. Stobart, G. R. Crowe, J. H. Ashdown, and D. C. Cameron. The projected Pacific Bank had an authorized capital of $2,000,000 and its Provisional Directors were all eastern men. The Home Bank of Canada was a Toronto institution with a capital of $1,000,000 and the old established Home Savings and Loan Company as a basis for its business. The Alliance Bank of Canada was a Maritime Province institution chiefly promoted by Mr. J. F. Stairs, President of the Nova Scotia Steel and Coal Company, and it made substantial progress toward organization during the year. Only one word of opposition to this financial development was expressed, on June 17th, when Mr. Thomas Fyshe, General Manager of the Merchants Bank of Canada, told his shareholders that:

> Competition in the banking business is getting worse and worse every year, and I don't think that anyone who knows anything about banking can give any explanation why these new banks should be coming into competition. They are no more wanted than the fifth wheel to a coach, and I can only look forward to great trouble resulting. Banking is a very hard business to carry on, and a very increasingly difficult one.

Some important appointments were made during the year. In the Merchants Bank of Canada Mr. B. J. Allan and Senator Mackay resigned from the Board of Directors and were replaced by Messrs. C. M. Hays and Alex. Barnet. The Union Bank of Canada added Messrs. E. L. Drewry and John Galt of Winnipeg and Mr. F. E. Kenaston of Minneapolis to its Directorate and the Eastern Townships Bank did so with Messrs. I. Wood, Frank Grundy and A. C. Flummerfelt. Mr. H. R. Wilson, of New York, resigned from the Board of the Sovereign Bank and Mr. W. C. McIntyre became a Director of the Molsons Bank. In the Bank of Montreal the Hon. Robert Mackay succeeded Mr. A. F. Gault as a Director and in the Ontario Bank Mr. T. Walmsley replaced the Hon. J. C. Aikins upon the Board. Mr. V. C. Brown became Inspector of the Canadian Bank of Commerce and Mr. C. E. Neill of the Royal Bank of Canada. Mr. H. V. Meredith was appointed Assistant General Manager of the Bank of Montreal and in the Metropolitan Bank Mr. A. E. Ames was succeeded as President by the Rev. Dr. R. H. Warden and Mr. F. W. Baillie as General Manager by Mr. W. D. Ross. Mr. D. E. Thomson, K.C., became a Director of that institution

New Bank Branches in Canada

In 1902 the Canadian Banks added 120 to their 747 branches. In 1903 they established 135 new branches in Canada and 9 sub-agencies. The Merchants Bank of Canada opened at Delta, Finch, Gore Bay, Lancaster, St. George, Thamesville and West Lorne

in Ontario and at Olds in the Territories. It established sub-agencies at Elgin, Lansdowne and Wheatley in Ontario, at Arden and Griswold in Manitoba and at Guyon in Quebec. The Dominion Bank opened at St. Thomas, Fort William and Madoc in Ontario. The Metropolitan Bank opened branches at Brigden, Brockville, Brussels, Milton, Petrolia, Picton, Sutton West, Wellington and two points in Toronto—all in the Province of Ontario. The Canadian Bank of Commerce did the same at Sydney, N.S., East Vancouver, B.C., Rainy River, Ont., Portage La Prairie, North Winnipeg and Elkhorn, in Manitoba, and at Innisfail, Ponoka, Prince Albert, Regina, and Red Deer in the Territories. Through the Halifax Banking Company it acquired branches at Amherst, Antigonish, Barrington, Bridgewater, Canning, Halifax, Lockeport, Lunenburg, Middleton, New Glasgow, Parrsboro', Shelburne, Springhill, Truro and Windsor in Nova Scotia and at St. John and Sackville in New Brunswick.

The Bank of Montreal opened at Hamilton, Ont., and Yarmouth, N.S.; at Brandon and Gretna in Manitoba; and at Edmonton and Indian Head in the Territories. The Molsons Bank opened at Frankford, Highgate, St. Mary's and Wales in Ontario and the Quebec Bank at Sturgeon Falls, Ont. The Union Bank of Canada expanded its interests very widely. In Ontario it opened at Barrie, Crysler, Erin, Haileybury, Hillsburg, Jasper, Mount Brydges, New Liskeard, Newboro, Pakenham, Portland and Warkworth; in the North-West Territories at Carlyle, Didsbury, Innisfail, Lumsden, Saskatoon and Wayburn; and at Baldur in Manitoba. The Imperial Bank of Canada opened at Bolton, Ont., Trout Lake, B.C., and North Winnipeg, Man. The Sovereign Bank of Canada opened at Aylmer, Belmont, Claremont, Dashwood, Harrow, Havelock, Hensall, Markham, Marmora, and Zurich in Ontario; established a second branch at Ottawa and at Montreal; and opened at Frelighsburg in Quebec.

The Bank of Hamilton opened at Ripley, Ont., and at Melfort, N.W.T., and established a second branch in Toronto. The Ontario Bank opened at Trenton and Waterford in Ontario and the Traders Bank of Canada at Bridgeburg, Embro, Hamilton (East End), Kincardine, Otterville, Ripley, Rockwood, Schomberg, Springfield, Stoney Creek, Thamesford, and Winona—all in Ontario. The Bank of Nova Scotia opened at St. Andrews and St. George in New Brunswick and at Edmonton, Strathcona, and Wetaskiwin in the North-West Territories. The Bank of Toronto opened three new branches in Montreal and one in Toronto and at Coldwater and Cardinal in Ontario and Dorchester in New Brunswick. The Eastern Townships Bank opened at Winnipeg and at West Shefford and Iberville in Quebec.

The Royal Bank of Canada opened at Chilliwack, B.C., Edmundston, N.B., Toronto and Pembroke, Ont. The Bank of Ottawa opened at Jasper and Carp in Ontario, at Regina in the Territories and at Maniwaki, Buckingham and at Fort Coulonge in Quebec. The Bank of British North America opened at Fenelon

Falls and Toronto Junction in Ontario; an additional branch in Montreal; and at Reston in Manitoba and Battleford, Calgary, Duck Lake, Estevan, Rosthern and Yorkton in the Territories. Sub-branches were also opened at Weston, Ont., and at Levis and Longueuil in Quebec. The Banque d'Hochelaga established a new branch in Montreal and one in Quebec; the Standard Bank of Canada opened at Wellington, Ont.; La Banque Nationale opened at Marieville, Trois Pistoles and St. Charles in Quebec; and the People's Bank of Halifax at Bridgewater, N.S., and Warwick, Quebec. Two Foreign branches were opened during the year—the Royal Bank of Canada at Santiago, Cuba, through absorption of the Banco de Oriente; and the Bank of Montreal at Spokane, Washington. The Canadian Bank of Commerce closed its branches at Sandon, B.C., and at Lockeport, N.S.

Stock Speculation and the Market during 1903

The year was a critical and sensational one in stock circles. In 1902 there had been much speculation by the public in stocks, considerable profits made, and a pronounced collapse in prices during October and following months. The year 1903 was not a pleasant one to financial interests, either large or small —in this respect. The "slump" in important stocks continued, with variations until on Mch 30th it was stated in Montreal that 14 active stocks in that market had depreciated $49,000,000 in value since the highest level of the preceding year—including Dominion Steel $14,000,000 and C. P. R. $15,000,000. May 21st, following, was a most exciting day with a record of 146,000 shares changing hands in that City. Thence to the close of the year the fluctuations of the market were, of course, varied, but more or less depressing though C. P. R. distinguished itself by successfully resisting a determined "bear" movement from New York.

Speaking on June 6th to the Montreal *Gazette* Mr. R. Wilson-Smith greatly regretted "to observe the slaughter of stocks of splendid intrinsic value now going on in this market owing to temporary influences and ephemeral conditions." On Oct. 13th, another "slump" of stocks took place in that city wiping out many small holders and with declines ranging from five to ten points. There was much comment in the press as to alleged rivalry at this juncture, and on the previous "panicky" occasion, between Mr. James Ross and Mr. Rodolphe Forget. In an interview with the *Globe* on Oct. 21st, the latter gentleman drew attention to the prosperity of the country and proceeded: "Canadian stocks at present prices show an income of from 5 per cent. to 8 per cent. Well, you cannot expect to get such investments as these in six months hence. Take, for instance, five of our local securities, as they come on the list—C. P. R., paying a 6 per cent. dividend, largest earnings in the history of the road; big land holdings; in fact, the Company has the biggest future of any railway on this continent. The stock can be bought to return 5 per cent. on the money." At the close of the year the *Canadian*

Journal of Commerce published a statement alleging the total decline in market values of certain specified stocks to be $89,189,000, as shown by the difference between the highest and lowest prices of the year. The following are a few of the items:

	Highest Price.	Lowest Price.	Decline in Value of Stock.
Canadian Pacific	138⅝	116¼	$18,902,000
Montreal Street Railway	282½	196	5,160,000
Toronto Street Railway	118½	88	1,830,000
Twin City	122¼	79¾	6,450,000
Commercial Cable	176½	149	6,157,000
Dominion Iron and Steel	61¾	6⅜	11,176,000

In Toronto the situation was very similar. Matters culminated in the weeks immediately preceding the failure of A. E. Ames and Company, on June 2nd, and in the weeks succeeding that event. In the week ending June 5th, Dominion Coal declined 15⅜ points, N. S. Steel 10¼ points, Dominion Steel (preferred) 10 points, Richelieu and Ontario 10¾, C. P. R. 3⅛ points. The Toronto *Telegram* estimated on Sept. 26th that in Twin City—a Minneapolis and St. Paul stock heavily carried by Ames and Company—the loss to Canadians through shrinkage in values had been $6,356,350 and in Dominion Coal $17,831,350; while the Toronto *News* of Jan. 4th, 1904, placed the total shrinkage in the year, in 26 leading Canadian securities at $61,134,140. Speaking to the Halifax *Chronicle* on June 10th Mr. B. E. Walker summarized the situation as follows:

> The great check in prices on the stock exchange was very necessary to the country although very painful to individuals. The volume of speculation everywhere was excessive and the slump which followed was the only way to bring about a normal condition. There were far more people speculating than at any previous time in the history of the country. It is unwholesome at any time and sooner or later such a check as the present one occurs. Canadians have been fools time and again in sending money into the corn and wheat markets of the United States. They had more money this last time and made a bigger spread, but I think they have been taught a lesson. There is altogether too much stock speculation in all Canadian cities.

There was considerable public discussion of the subject and on June 10th the Baptist Association of Toronto passed a Resolution deprecating the speculative spirit of the times. The House of Commons debated it on July 31st at the initiative of Mr. H. Bourassa. He moved, but afterwards withdrew, a Resolution urging the adoption of effective measures to "control stock exchange operations and check hazardous speculation." He made various suggestions and in the course of the debate the Minister of Justice defined gambling on margins as follows: "A certain amount is put up as a margin, and the purchaser is merely gambling for the difference in price, which is placed to his credit, if the price rises. If, on the other hand, there is a decline, the margin is wiped out and the unfortunate purchaser finds himself

on the wrong side of the account." This, he thought, was wrong and for it some remedy should be found. At Halifax, on Aug. 9th, the Rev. Dr. Chown denounced in most vigorous language the existing practice of "stock gambling."

The Failure of A. E. Ames & Company

The sensational event of the year in Toronto financial affairs was the shutting of the doors of this banking and brokerage firm, on June 2nd, as a consequence of a prolonged struggle with opposing interests in Boston and New York in some of their heavier holdings of stock. They carried large quantities of C. P. R. which had gone down 20 points in a year; Dominion Coal 65 points; Dominion Steel 64 points; and Twin City 30 points. Senator George A. Cox, who was personally related to Mr. Ames, explained the matter to the press as follows: "The persistent shrinkage in values from various causes and the consequent call for additional margins, to which many of their clients were unable to respond, has no doubt made it necessary for the firm to suspend." The Toronto *Globe* of June 3rd declared the incident to be caused by the New York "bears" who "deliberately set to work by all the methods known to the trade to make it impossible for them to hold on." Messrs. Ames and Company had, however, put up a gallant fight, and between Apl 30th and June 2nd were said to have reduced their liabilities from $19,000,000 to about $10,000,000.

The suspension was followed by that of the Atlas Loan Company of St. Thomas—an associated concern through its Manager, Mr. A. E. Wallace, being a partner in Ames & Company. On June 4th the firm published a statement showing liabilities, after recent forced sales, of $7,500,000. They expressed the hope of paying creditors in full. On June 13th, they announced their exact liabilities to be $5,142,780 as against $10,140,000 on May 31st preceding. Four days later a statement was issued showing nominal assets and liabilities of $889,225 and $589,225, respectively, and asking for an arrangement by which they should resume business and pay off unsecured creditors in four instalments of 25 per cent.—July 15th, 1903, being the first date, two others in 1904, and the last on Jan. 15th, 1905. The proposals were accepted and on July 13th, the firm resumed business and made their first payment. In November following the Atlas Loan failure was investigated in Court (before the Master-in-Ordinary) together with the relationship of that concern with Ames and Company. Mr. Ames was examined at great length and came out of the ordeal in a most satisfactory manner. He emphatically denied having controlled the St. Thomas institution in any way and his statement as to their losses through his firm reduced the amount from an alleged sum of $406,939 to less than a fourth of that amount. Eventually, the Court accepted for the liquidators of the Atlas Company an offer of $84,341 in full of all their claims in this connection. An incident at the close of the year was a vigorous letter written to the Toronto press by Mr.

A. E. Ames denouncing Mr. E. E. Sheppard for certain caustic and bitter journalistic attacks upon his business dealings and position. He declared them to be due to personal matters connected with his membership of the Temiskaming Commission.

Changes in the Dominion Currency Act

In his Budget speech on Apl 16th the Finance Minister dealt at some length with the increased demands of the country for circulation. Under the law no bank could issue its own notes beyond the amount of its paid-up capital and the business of the people was rapidly reaching that point. On Jan. 1st, 1903, the paid-up capital of the chartered banks had been $72,795,440 and the note circulation $60,574,144. It was necessary that they should have a good reserve in this respect and some banks were preparing to increase their capital in order to meet any still more rapid expansion. He then announced the intention of the Government in the premises. Under the present Act they were authorized to issue $20,000,000 of Dominion notes with a reserve of 25 per cent. made up of either gold, or debentures guaranteed by the Imperial Government. For any issue over that sum the Government held dollar for dollar. In this way $15,000,000 could be issued unsecured except by the credit of the country.

He proposed to ask Parliament to amend the Currency Act by providing that $30,000,000 might be issued with a reserve of 25 per cent., as before, and that all issues above that sum should be secured dollar for dollar. The effect of this would be the granting of power to issue $22,500,000 upon the credit of the country alone. He also proposed to establish a reserve of gold equal to 10 per cent. of the deposits in the Government Savings Bank—which reached in 1901-2 a total of $56,048,957. The subject was discussed in the House on July 13th and the proposals became law later in the Session. It may be added that in 1902 the average monthly circulation of Dominion notes was $32,041,413.

Fire Insurance in Canada

According to official statistics between 1869 and 1903 British and American Companies took policies in Canada totalling $18,493,408,188 with net cash premiums of $188,455,830 and losses paid amounting to $126,205,638. This would be a yearly average for that period of $5,384,452 in premiums and $3,605,875 in losses. Of this total the Canadian Companies received $42,339,114 in premiums and paid $28,644,155 in losses; the British Companies received $124,544,158 and paid out $83,486,574; the United States Companies received $21,572,558 and paid out $14,074,909. During the year ending Dec. 31st, 1903, the total net cash received for premiums was $11,434,856 as against $10,577,084 in 1902; the gross amount of policies new and renewed was $931,587,159 as against $892,049,886 in the previous year; the net amount paid for losses was $5,866,052 as against $4,152,289 in 1902. The net amount at risk on Dec. 31st, 1903, was $1,140,812,752 or an increase of $65,549,584 over 1902. The details of this business may be seen in the following statement:

Particulars, 1903.	Canadian Companies.	British Companies.	American Companies.
Net Cash received for premiums	$ 2,330,549	$ 7,336,485	$ 1,767,832
Gross Amount of Policies, new and renewed	214,818,385	580,718,653	136,050,121
Net Amount paid for losses	1,210,845	3,797,933	857,274
Rate of Losses paid per cent. of premiums received	51·96	51·77	48·49
	(1)	(2)	(2)
Total Assets (1) or Assets in Canada (2)	7,816,492	20,232,555	1,627,915
	(1)	(2)	(2)
Total Liabilities (1) or Liabilities in Canada (2)	3,576,000	13,707,328	412,484

Life Insurance in Canada

The net amount of Life Insurance in Canada on Dec. 31st, 1903, was $548,436,200 as compared with $508,812,305 in 1902. The premiums collected during the year on 178,964 policies, with an insurance of $91,577,805, was $18,243,099 as against $17,077,560 collected in 1902 as premiums on $156,380 policies totalling $80,552,966. The claims paid during the year—including matured endowments—were $7,460,291 against $7,023,046 in 1902. Between 1875 and 1903 the total insurance effected in Canada was $1,138,842,458 and the premiums received were $229,117,247—of which latter sum $122,558,688 went to Canadian Companies, $27,500,463 to British Companies and $79,058,096 to United States Companies. The following table affords a tabulated view of Life Insurance in Canada:

Particulars, 1903.	Canadian Companies.	British Companies.	American Companies.
Premiums for the year	$ 10,883,174	$ 1,435,317	$ 5,924,608
New Insurance effected	55,170,604	3,132,904	33,274,297
Net Amount in force	335,625,096	42,134,304	170,676,800
Claims paid during year	3,779,745	1,115,782	2,564,764
	(1)	(2)	(2)
Total Assets (1) or Assets in Canada (2)	81,667,747	24,297,550	35,275,147
Total Liabilities (1), including paid-up Capital or Reserve, or Liabilities in Canada (2)	(1) 77,538,614	(2) 14,725,558	(2) 32,368,286
Net Premium Income	17,568,599	2,535,698	7,302,367
Total Expenditure	10,156,289	1,522,744	4,790,336

Miscellaneous Insurance in Canada

Of the Fire Companies six were doing Inland Marine Insurance during the year with a gross amount of policies, new and renewed, of $17,676,487 as against $13,341,280 in 1902 and net cash received for premiums amounting to $76,941 as compared with $45,211. Two Canadian Companies did a large business outside of the Dominion in this respect. The British America Assurance Company carried policies during 1903 totalling $35,882,782 in Inland Marine with net cash premiums of $204,888 and $32,212,312 in Ocean Marine with net cash premiums of $233,506. The Western Assurance Company carried $63,267,853 of the former with net cash premiums of $370,580 and $70,312,293 of the latter with $443,996 cash premiums. There were nine Canadian Companies at the close of the year doing business in Accident, Guarantee, Plate Glass, Burglary, Guarantee, or Steam Boiler Insurance. They had a capital stock paid-up of $728,440 and other liabilities of $562,090 with total assets of $2,060,699. The net cash received for premiums was $859,707, the amount paid for losses $307,116 and the general expenses $434,682. The following table affords a view of the business of Canadian and other Companies operating in Canada:

Insurance.	Net amount in force at date.	Policies new and renewed.	Premiums of the year.	Claims paid in the year.
Guarantee	$ 34,512,378	$ 38,789,134	$149,441	$ 25,114
Accident	111,000,039	156,390,465	721,100	317,784
Employers' Liability	21,811,114	22,489,504	395,611	189,827
Burglary Guarantee	2,904,981	3,027,460	24,730	6,300
Steam Boiler	5,836,775	2,935,525	39,017	7,236
Inland Transit	.....	104,788,745	22,289	12,960

Loan Companies in Canada

The number of Loan Companies reporting to the Department of Finance for the year 1902 was 92 as against 98 in the preceding year. The authorized capital of these concerns was $94,630,225, the capital paid-up, $51,685,596, the reserve fund $11,479,367, the contingent fund and unappropriated profits $2,185,605, the liabilities to stockholders $66,590,276, the deposits $21,068,742, the debentures payable in Canada $18,570,083, the debentures payable in Britain and elsewhere $34,278,345, the debenture stock $3,950,414, the amount owing to banks $499,253, the miscellaneous liabilities $16,914,610, the liabilities to the public $95,941,416 and the total liabilities $162,531,693. The total loans were $130,921,549 and the total property owned was $31,610,144. The great bulk of this business was controlled in Ontario, the paid-up stock from that Province being $28,177,006 as against $1,176,537 in Quebec, $187,500 in Manitoba and $100,000 in British Columbia. The following table records the business of the year:

Amount of dividends declared	$ 2,567,650
Amount loaned during the year	48,205,754
Amount of principal and interest received from borrowers	47,050,959
Amount received from depositors	33,499,228
Amount repaid to depositors	32,485,001
Amount borrowed for investment	59,924,674
Debentures issued	11,531,293
Debentures repaid	10,549,909
Interest paid and accrued	3,600,654
Value of Real Estate under mortgage	204,635,493
Principal and interest overdue and in default	1,372,303
Mortgages payable by instalments	37,154,753
Amount invested and secured by mortgage deeds	107,155,278
Present Cash value of investments	129,466,855

In Ontario the authorized capital of Loan Companies with permanent stock, the Loaning Land Companies and the Trusts Companies was, in the year ending Dec. 31st, 1902, $124,136,015; the subscribed capital, permanent, was $77,564,588; and the subscribed capital, terminating, was $16,214,025.

MISCELLANEOUS INCIDENTS IN FINANCE AND INSURANCE

Jan. 3.—Six Canadian cities report an increase of $500,000,000 in bank clearings for 1902 of which Toronto contributes $183,000,000.

Jan. 6.—It is stated at a meeting in Oakville of the creditors and depositors of the recently failed banking concern of C. W. Anderson and Son that the liabilities aggregate $156,988 with only a few thousands of unencumbered assets.

Jan. 13.—It is announced at Montreal that the organization of the Marconi Wireless Telegraph Company of Canada has been completed with Guglielmo Marconi, A. A. Allan, R. Forget, F. C. Henshaw, W. R. Green (N.Y.) and the General Manager, Mr. J. D. Oppe, as Directors. The capital of $1,000,000 has been all subscribed.

Jan. 13.—A farewell dinner is given in Toronto by the President and Board of Directors of the Canadian Bank of Commerce to Mr. J. H. Plummer upon his retirement from the position of Assistant-General-Manager.

Jan. 15.—At a special meeting in Montreal of the Granby Consolidated Mining, Smelting and Power Company, Limited, Mr. S. H. G. Miner, the President, states that leading United States Copper men have purchased 125,000 shares of the Granby treasury stock at $4.00 which practically pays the floating debt of the Company. Mr. Miner is re-elected President and several of the new American shareholders are added to the Directorate.

Jan. 19.—A seat on the Montreal Stock Exchange sells for $27,500—the highest price on record. On Oct. 12th another seat sells for $15,500.

Jan. 20.—Mr. O. A. Howland, C.M.G., K.C., writes to the press of Toronto declaring the facility of obtaining money from the Banks on call loans to be a main cause of stock speculation.

Jan. 20.—The Toronto Board of Trade elects Mr. J. F. Ellis, President and Messrs. J. D. Allan and E. R. Wood, Vice-Presidents.

Jan. 24.—The Mexican Light and Power Company is organized at Montreal with a subscribed capital of $12,000,000 for the purpose of supplying the City of Mexico with water-power. Messrs. James Ross, E. S. Clouston, and Sir W. C. Van Horne of Montreal, and Senator Cox, Messrs. J. H. Plummer, William Mackenzie and E. R. Wood of Toronto, are the chief shareholders.

Jan. 27.—At the annual meeting of the Montreal Board of Trade, Mr. A. J. Hodgson is elected President and Messrs. G. E. Drummond and W. I. Gear, Vice-Presidents.

Jan. 28.—At the annual meeting of the Winnipeg Street Railway Company, Mr. William Mackenzie is re-elected President and Mr. William Whyte, Vice-President.

Jan. 28.—The Montreal Chambre de Commerce meets and elects Mr. D. Masson President, and Messrs. H. A. A. Brault and C. H. Catelli Vice-Presidents.

Jan. 29.—A rival Association to the local Board of Trade is organized in Victoria, B.C., as the Victoria Chamber of Commerce. Mr. J. L. Beckwith is elected President.

Feb. 2.—A Tablet is unveiled at 56 Wall Street, New York, by the Canadian Society of that City in honour of the late Morris Robinson, a pioneer in mutual life insurance and a member of the well-known Canadian and American family of that name.

Feb. 17.—The price of Hudson's Bay Company shares on the London market reaches the highest point on record—44⅝. The price has practically doubled itself in two years.

Mch. 2.—Mr. A. E. Ames addresses the Canadian Club, Toronto, on the "Conduct of Business."

Mch. 2.—Sir Charles Tupper, Bart., G.C.M.G., President of the Crown Life Insurance Company of Canada, addresses that organization at length upon the nature and value of Life Insurance. He states that the people of the United States carry double the insurance per capita of those in Canada and deprecates Canadian patronage of American insurance companies.

Mch. 4.—The Manitoba *Free Press* contains an interview with Mr. Thomas Fyshe of the Merchants Bank of Canada describing the banking progress of the West. Mr. Fyshe states that between 1896 and 1903 the Union Bank has increased its

Western branches from 9 to 36; the Merchants Bank from 2 to 20; and the Bank of Hamilton from 1 to 12.

Mch. 18.—Messrs. A. E. Ames and J. H. Plummer of Toronto are elected Directors of the Sloss-Sheffield Steel Company.

Mch. 19.—The Montreal Power Company absorbs the Lachine Hydraulic Company at an estimated outlay of $3,700,000.

Mch. 23.—Mr. Justice R. L. Weatherbe addresses the Grand Jury at Halifax at length upon the subject of speculation or gambling in stocks.

Mch. 26.—Mr. D. M. Stewart, General Manager of the Sovereign Bank of Canada, addresses the Canadian Manufacturers' Association at Montreal upon Insolvency Legislation.

Apl. 6.—The Ontario Government are asked and eventually grant a charter to the "Canada Grocers, Limited," with a capital of $5,000,000 and headquarters in Toronto. It is a combination of leading wholesale grocers.

Apl. 8.—The Grand Jury at Halifax uses strong expressions against stock gambling and urges a stringent law as to the licensing of stock brokers.

Apl. 18.—The Toronto Stock Exchange decides to increase the membership by creating 5 new seats at $20,000 each.

Apl. 27.—It is stated that arrangements have been concluded for the Toronto General Trusts Corporation, Limited, to acquire the Ottawa Trust and Deposit Company, Limited.

May 1.—At the annual meeting of the Insurance Institute of Toronto Mr. F. H. Sims is elected President and Mr. F. Sanderson, M.A., Vice-President.

May 10.—Ottawa experiences a disastrous fire consuming over 200 houses, burning 10,000,000 feet of lumber and destroying about $500,000 worth of property.

May 26.—In the Ontario Legislature a discussion takes place upon the Attorney-General's measure to amend the Loan Corporations Act and Mr. J. P. Downey makes an onslaught upon the alleged abuse by Loan Companies of their terminating share and savings bank privileges.

May 31.—The profits of the Hudson's Bay Company for the year ending at this date are stated to be £142,001; the dividend is 22s 6d per share; and the capital is reduced by £2 per share or £200,000. Lord Strathcona is re-elected Governor.

June 12.—Mr. A. E. Ames retires from the Presidency of the Canada Lake and Ocean Navigation Company and is replaced by Mr. J. H. Plummer.

June 12.—The *Insurance and Finance Chronicle* of Montreal estimates from their complicated returns that in regard to banking capital the proportion to population in Canada is $13.30 per head and in England $7.39 per head; the reserve fund of the English banks averages 60 per cent. of their capital, the average in Canada is 61 per cent.; the deposits in English joint stock banks average $80 per head of population, the average in Canada is $70; the discounts and loans of English banks average $51 per head, and in Canada the average is $60.09.

June 15.—Mr. John Stuart, the retiring President of the Bank of Hamilton, is voted $5,000 a year for life as a recognition of his 30 years of service to the institution.

June 15.—Following upon the failure of the Atlas Loan Company, the Elgin Loan Company of St. Thomas closes its doors. Its liabilities to shareholders are stated at $239,688 and to depositors $193,007.

June 15.—Sir Mackenzie Bowell, K.C.M.G., is elected President of the Imperial Life Insurance Company of Toronto in succession to Mr. A. E. Ames who had on May 11th preceding succeeded the late Sir Oliver Mowat.

June 16.—Mr. James Ross retires from the Vice-Presidency and Direc-

torate of the Montreal Street Railway. Mr. F. L. Wanklyn is elected to succeed him.

June 16.—The Hon. Mr. Gibson explains in the Toronto *Star* that the Ontario Government's reason for its recent legislation giving all Loan Companies certain limited powers of investment in stocks was the situation created by many of them having gone to Ottawa and obtained the power there.

June 23.—The Royal Bank of Canada abandons its project of establishing a branch at Whatcom, Washington, owing to international jealousies and the refusal of local land owners to sell their land for building purposes.

June 24.—The Provisional Liquidator of the Atlas Loan Company of St. Thomas reports to the Court that its assets are $415,884 and liabilities $837,252.

June 25.—The first general meeting of shareholders in the King Edward Hotel Company, Limited, of Toronto, elects its Directorate with Mr. T. G. Blackstock as President and Messrs. J. W. Langmuir and D. D. Mann as Vice-Presidents.

June 30.—Mr. Justice Robidoux at Montreal orders Mr. Jacques Grenier, the President of the Banque du People at the time of its failure, to pay one of the Directors $43,000 for losses incurred owing to the President's representations as to the condition of the Bank.

June 30.—Upon his retirement from the management of the Trust and Loan Company of Canada, after 17 years' service, Mr. James O'Neill Ireland is given a presentation in Toronto by the Commissioners and staff.

July 4.—It is announced that Mr. James Ross, of Montreal, has retired from the Vice-Presidency of the Toronto Street Railway.

July 13.—The Ottawa *Free Press* inaugurates a vigorous campaign against the Canadian Fire Underwriters' Association for raising the rates in that City, after the fire, by 25 cents per $100.

July 14.—The statement submitted to Judge Hughes at St. Thomas in connection with the insolvent Elgin Loan Company shows a surplus of $22,920 and defalcations by the late manager, G. W. Rowley, of $187,620. A liquidator is appointed.

July 19.—The New York *Tribune* states a shrinkage in industrial stocks in the United States to the extent of $1,776,799,000.

July 27.—In the House of Commons Mr. David Henderson opposes the incorporation of the Alliance Bank of Canada, on the ground that to pass 9 bank charters during a Session is altogether uncalled for. He objects also, very strongly, to Canadian Banks being allowed to invest in United States stocks and bonds.

July 28.—Mr. J. Howard Hunter, K.C., Registrar of Loan Companies, issues new Ontario regulations regarding Companies having terminating shares.

July 30.—In his paper, the Guelph *Herald*. upon this and other dates, Mr. J. P. Downey, M.P.P., continues his attack upon Loan Companies having terminating shares.

July 31.—The shareholders of the Standard Loan Company, Toronto, ratify the purchase of the Ontario Loan and Investment Company.

Aug, 20.—It is announced that the Perth Mutual Fire Insurance Company will withdraw from Ottawa owing to the risk of its lumber piles.

Aug. 31.—At the annual meeting of the International Congress of Actuaries at New York, Mr. T. B. Macaulay of Montreal is elected Vice-President for Canada.

Sept. 10.—A large number of British and Foreign Actuaries visit Toronto after attending the Convention in New York.

Sept. 24.—The shareholders of the Empire Savings and Loan Company meet in Toronto and ratify the transfer of its business to the Sun and Hastings Savings and Loan Company.

Oct. 8.—A deputation from the Ottawa City Council and Board of Trade, including Mayor Cook and Mr. J. R. Reid, interview the Fire Underwriters' Association at Montreal regarding the increased insurance rate. The City Auditor of Ottawa submits the following table of expenditure per $1,000 of assessment in certain cities :

Montreal	$1.29	St. Thomas	$ .74¼
Toronto	.41	St. Catharines	.78½
Ottawa	1.91½	Brantford	1.24¼
Hamilton	1.42¼	St. John	1.28
London	.88¼	Halifax	1.40
Kingston	.92¼	Winnipeg	1.38
Windsor	1.29¼		

Oct. 8.—The Canadian Westinghouse Company, Limited, is organized at Hamilton, with a capital of $2,500,000 and for the purpose of consolidating all the Westinghouse interests in Canada—including the business of Ahearn and Soper of Ottawa. The new Board of Directors includes : George Westinghouse of Pittsburg, C. F. Sise of Montreal, H. H. Westinghouse, George C. Smith, Frank H. Taylor, L. A. Osborne, all of Pittsburg ; Thomas Ahearn of Ottawa, Hon. J. M. Gibson of Hamilton, W. Y. Soper of Ottawa, and Paul J. Myler of Hamilton. Mr. Myler is appointed Manager of the concern.

Oct. 16.—The reply of the Canadian Fire Insurance Underwriters to the Ottawa deputation of Oct. 8th is received and promises a partial removal of the surcharge when certain specified conditions have been complied with.

Oct. 16.—The Insurance Institute of Montreal meets and elects Mr. E. P. Heaton President for 1903-4 and Messrs A. McDougald and T. L. Morrisey Vice-Presidents.

Oct. 17.—The Insurance Institute of Toronto hold a banquet at the King Edward Hotel addressed by the Premier of Ontario, Mr. Justice Britton, Messrs. J. B. Laidlaw, Frank Sanderson and others.

Nov. 9.—Mr. George W. Yarker is appointed Manager of the Toronto Clearing House at a meeting of Bank managers in that City.

Nov. 11.—Suits are entered in San Francisco by the Canadian Bank of Commerce against a number of United States banks for a total sum of $100,000. The litigation arises out of recently exposed forged cheques.

Nov. 11.—The Canadian Bankers' Association meets in Montreal, is entertained at a banquet in the St. James Club and elects Lord Strathcona and Mr. George Hague as Hon. Presidents, Mr. E. S. Clouston as President and the General Managers of the Bank of Toronto, the Bank of Ottawa, the Bank of British North America and the Banque d'Hochelaga, as Vice-Presidents.

Nov. 12.—The New York *Sun* states editorially that "Canadian stocks are, in general, a sound and excellent investment."

Nov. 14.—The failure is announced of Mr. G. P. Hughes, Private Banker of Tottenham, Ont., with liabilities of $35,000 and nominal assets of $27,891.

Nov. 20.—At the annual banquet of the Insurance Institute of Montreal stirring addresses are delivered by Messrs. G. G. Foster, Donald MacMaster, K.C., and R. Wilson-Smith.

Nov. 24.—Mr. D. M. Stewart, General Manager of the Sovereign Bank of Canada, lectures in Montreal on the History and Growth of Banks throughout the countries of the world. Two weeks later he lectures on Banking in Canada.

Dec. 4.—It is stated that, in 1903, up to the end of November, the amount of money offered in Great Britain for new enterprises was $493,678,660 as against $732,732,010 in the same period of 1902.

Dec. 11.—Mr. F. L. Wanklyn resigns the Vice-Presidency and management of the Montreal Street Railway.

XII.—INDUSTRIAL INTERESTS OF CANADA

General Industrial Conditions

Between 1896 and 1903 the manufactured exports of Canada increased from $9,365,384 to $20,624,967. Of this total the manufactures of wood were valued in 1903 at $4,473,952 and of iron and steel at $3,263,940—an increase, respectively, from $1,555,108 and $506,946 in 1896. Agricultural implements totalled $2,284,904 as against $593,464 in 1896; Leather manufactures $2,365,638 as against $1,995,075 in 1896; Woollen manufactures rose from $618,903 in 1896 to $2,361,992 in 1903. The industrial Census returns for 1901, as they finally appeared, showed a marked development and various changes. The total value of manufactured products was given at $481,053,375 as compared with $363,156,797 in 1891 and the number of establishments at 14,650 as against 13,679.

The value of butter and cheese products in the Census of 1891 ranked eighth in the statistics of manufactures, but in the Census of 1901 it ranked third. In the former Census year, saw-mills, flour and grist mills, men's and women's clothing shops, foundry and machine works, planing mills, boot and shoe shops and sugar refineries led in the order named in value of production; and of establishments employing five hands and over. In the latter Census the value of log products still led, the value of flouring mill products was second, and the value of meat-packing and slaughtering products was fourth. The raw material of flour and grist mills, butter and cheese factories, and meat-packing and slaughtering establishments were almost wholly the products of agriculture and their aggregate value in 1901 was over $71,000,000. The following table gives the development during ten years in the most important of Canada's industries:

Name of Industry.*	1891. Establishments. Number.	1891. Value of Products.	1901. Establishments. Number.	1901. Value of Products.
Agricultural implements	95	$ 7,252,005	114	$ 9,597,389
Boilers and engines	42	2,433,878	59	4,626,214
Boots and shoes	269	12,706,215	179	18,481,216
Bread, biscuits and confectionery	269	8,364,306	258	11,637,808
Brick, tile and pottery	524	3,852,021	573	3,299,917
Bridges, iron and steel	6	728,075	6	1,693,000
Butter and cheese	1,735	10,697,879	3,576	29,462,402
Carriages and waggons	367	5,942,559	349	6,650,912
Car works	18	9,450,525	33	11,500,816
Cement (Portland)	11	227,275	7	765,876
Clothing, men's	1,373	18,669,652	735	8,775,439
Factory product	....	.....	58	8,980,291
Clothing, women's	768	4,931,779	334	4,368,580
Factory product	....	.....	26	2,190,627
Evaporated fruits and vegetables	30	142,436	50	395,549

* Note—Figures supplied by Mr. A. Blue, Census Commissioner.

Name of Industry.	1891. Establishments. Number.	1891. Value of Products.	1901. Establishments. Number.	1901. Value of Products.
Fish, preserved	805	$ 5,661,144	1,097	$ 8,025,630
Flouring and grist mills	230	30,721,846	400	31,835,873
Furniture and upholstered goods	234	6,025,811	169	6,949,384
Iron and steel products	23	4,356,730	29	6,912,457
Leather, tanned and finished	170	9,711,781	143	12,068,600
Log products	2,148	46,774,896	2,075	50,805,084
Lumber products	420	13,443,802	467	10,754,959
Oil	43	2,128,112	14	3,519,493
Paper	32	2,570,722	28	4,380,776
Patent medicines	14	421,100	35	1,350,993
Printing and bookbinding	66	1,966,653	84	2,748,356
Printing and publishing	349	7,671,310	419	10,319,241
Rubber goods	9	2,040,000	7	1,173,422
Ships and repairs	132	3,067,475	39	1,899,836
Slaughtering and meat markets	62	5,264,143	57	22,217,984
Smelting	15	3,016,240	12	7,082,384
Soap	30	1,909,390	23	2,143,945
Sugar refining	7	11,627,100	4	12,595,000
Tobacco, chewing and smoking	31	2,347,651	22	6,469,961
Tobacco, cigars	93	3,280,114	138	5,332,151
Wood-pulp	23	1,053,842	25	4,246,781
Woollen goods	213	7,845,386	157	7,359,541

Several industrial developments of a special kind came under popular consideration in 1903.* The condition of the cotton mills was somewhat fully dealt with by *Industrial Canada* in February. The industry was stated to involve the expenditure of $4,000,000 a year in wages, of $735,400 a year on coal and power, and more on various kinds of supplies, together with the payment of $676,500 to the railways for freight. It was contended by this organ that in 1897-1902 $24,414,107 worth of cotton fabrics had been imported which should have been made in Canada. The value of cotton mill property throughout the country—13 Companies—was placed at $23,860,622 and the yearly production at $14,970,000; the hands employed were said to number 13,429 and the yearly wages to amount to $3,916,626. Mr. R. R. Stevenson of Montreal, a leader in the movement for higher duties, in this connection told the Toronto *News* on Nov. 6th that the income of the industry in 1902 was $14,970,000 and the expenditure $14,090,729—the latter total excluding interest on investment, taxes and insurance. Three of the large Companies, he said, paid dividends of $408,000, but two others reported losses of $410,000. A cause of trouble other than the tariff was stated by the *Monetary Times* of Dec. 11th as follows:

> Seldom have the cotton mills and their employees in all parts of the world had to face such a perplexing, almost alarming condition of things, as that which confronts them at the present time. For months past the high price and the scarcity of raw cotton have been causing difficulties in the cotton manufacturing trade, as a result of which mills

* NOTE—Those of iron and steel and the woollen industries are dealt with elsewhere in connection with the Tariff. Pages 90-5, 64, 254.

have closed down and thousands of operatives either been thrown out of employment or had their wages reduced. In Lancashire, still *par excellence* the cotton manufacturing region of the world, it is estimated that over 3,000,000 people have been affected by the depression.

Ship-building was a past and prospective industry much talked of in the Maritime Provinces and around the Great Lakes. On Jan. 22nd, the Moncton *Times* stated that "Nova Scotia has 70 ship-yards, 60 of which are mere depositories of chips and decayed wood. Steel and iron ship-building across the water have converted these hives of domestic industry and sources of wealth into waste places." There were 3,000 shipmasters out of employment or working from hand to mouth. On Feb. 12th, Messrs. John Long of Collingwood, F. B. Polson of Toronto, and others, waited upon Sir William Mulock and Messrs. Fielding and Paterson to ask for greater encouragement in the construction of dry-docks as an aid to ship-building and claiming that this industry on the Lakes was greatly handicapped by the free admission of British-built ships and by the fact that many materials used in local construction were dutiable.

A number of prominent Halifax business men discussed local ship-building projects with the Provincial Government on Mch 25th and Mr. Premier Murray promised to support at Ottawa their desire for a $5 per ton bonus. A deputation in this connection later on visited Toronto and Ottawa and in the former place met Mr. Frederic Nicholls, President of the Canadian Ship-building Company, and others, with a view to obtaining united action at Ottawa and, perhaps, the opening of works at Halifax, where there were standing subsidies of $300,000 offered for a ship-building plant. At Ottawa, on May 12th, they were well received and brought their request down to the level of the Ontario Lake interests which had already asked for a bonus of $3.00 a ton.

In the sugar-beet industry vigorous but not wholly successful efforts were made during 1903. Every resource and suitable element in manufacture was present except the desire of the farmer to grow the beets in sufficient quantity. In Ontario the Dresden Factory and those of Wallaceburg, Berlin and Wiarton, with a combined capacity of 2,150 tons of beets per day, were at work during the year or a part of it. At a meeting in Toronto of the Ontario Beet Sugar Association on Jan. 29th, a Resolution was passed pointing out that during the past year over $2,000,000 had been invested in the building and equipment of the four factories and that, in view of their serious difficulties in securing sufficient raw material and in meeting the competition of Foreign bounty-fed sugar, the Governments of the Dominion and the Province should afford some further assistance. Speaking at the Canadian Club on the following day Mr. Hugh Blain declared that what they wanted was a countervailing duty on all imported bounty-fed sugar. Last year their four factories had produced 25,000,000 lbs. of sugar and brought to about 5,000 beet growers over $1,000,000. Later in 1903 the German surtax proved a sub-

stantial aid to the industry. During the summer two new factories were in course of erection—one at Peterborough, Ont., and another at Raymond, N.W.T., while Companies secured charters for operation at Whitby, Newmarket, and Walkerton, in Ontario.

The Dominion Iron, Steel and Coal Companies

The up and downs of this industrial and financial organization during the year were very marked and prominent. On Jan. 16th Mr. James Ross took occasion to protest in the Montreal *Gazette* against what he termed the silly rumours inspired by a Boston financial clique and which were appearing in Canadian papers from time to time. Their coal was all right, their iron ore was the same as that used by the Nova Scotia Steel Company and there were no differences between himself and Senator Cox. Despite this and similar utterances the Dominion Steel common stock continued to decline from 79 in the autumn of 1902 to 60 early in March and, in the week ending Mch 15th, there was a sensational drop to 34 while the preferred stock ran down from 95 to 73. The shrinkage, of course, involved heavy losses and represented a decline in values of over $10,000,000. According to an announcement in the Toronto *Star* some of the Directors—including Senators Cox and Forget—met in Montreal on the evening of Mch 15th and decided to buy in all the stock offered in order to stop the decline. Mr. Forget did buy heavily.

Meanwhile, there had been much discussion amongst the financiers interested as to the value or otherwise of the lease of the Coal Company by the Steel Company while, following the "bear" raid on the stock, came the unfortunate fire late in March in Colliery No. 1 where the output had been 3,000 tons a day. Senator Cox, 1st Vice-President of the Dominion Coal Company, issued a statement in Toronto on Mch 30th saying that the mine would be in operation again in from one to three months, and that they hoped, meanwhile, to keep the total output at about 12,000 tons daily. He pointed out that their product in the years ending Feb. 28th had been as follows: 1895, 884,000 tons; 1896, 1,169,785 tons; 1897, 1,222,471 tons; 1898, 1,061,669 tons; 1899, 1,285,543 tons; 1900, 1,739,374 tons; 1901, 2,044,877 tons; 1902, 2,651,263 tons. He spoke of the actual present value of the stock as an investment and summarized conditions as follows:

> The property of the Dominion Coal Company comprises 144 square miles, the whole of which is underlaid with coal. The known seams—over three feet in thickness—are estimated to contain 1,500,000,000 tons. This wide area insures practically an inexhaustible supply of coal. There are at present six collieries in operation and, therefore, an accident in any one or two of them would not seriously curtail the Company's operations or its net profits. These six collieries, located at various points over the 144 square miles, have been equipped with the most modern machinery for mining, hauling and hoisting the coal. They are all thoroughly ventilated, and four of them are electric lighted throughout. During the past year over one million dollars were expended in additional mining plant, machinery, equipment, extensions and improvements, and at the present time the whole property is in excellent running condition.

He declared the total capacity of the Collieries to be 4,104,000 tons a year. Speaking in the Nova Scotia Legislature on Mch 31st in connection with the granting of a charter to Sydney, C.B., Mr. D. D. McKenzie pointed to the great work done by the Dominion Iron and Steel Company and declared that their property was valued at $29,181,709; that they employed over 3,000 men with a pay-roll of $2,400,000 a year; and had a monthly output of 20,000 tons of steel and 5,000 tons of pig-iron. At Belle Isle, Newfoundland, they owned millions of tons of iron ore of first-class quality while they had coal and limestone in abundance at their very doors. On Apl 1st came the retirement of Mr. Cornelius Shields from the general management of the two Companies. To the press on Apl 6th this gentleman declared that he was retaining all his holdings in the concern and expressed the strongest belief in its future. The joint annual meeting of the two Companies was held in Montreal on May 14th and the statement submitted was intended to bring both Companies into a uniform business year—that for the Dominion Steel Company dealing with 8 months' operations and that of the Coal Company with 10 months. Reference was made in the Report to the association of the two concerns through the lease of the Coal property and interests on Mch 1st, 1902, at a yearly rental of $1,600,000. The following figures give the facts as to the two Companies for the periods indicated:

THE DOMINION IRON AND STEEL COMPANY.

Earnings, Coal Department less 10 months' rental		$ 643,944
Earnings, Steel Department, 8 months		309,886
Bond interest, general interest and sinking fund, 8 months		410,935
Net operating earnings		542,946
Preferred Stock dividend, 8 months		233,333
Surplus		309,612
Assets, including Property, cash accounts and material on hand		$38,505,567
Liabilities,		
Bonds	$ 7,946,000	
Common Shares	20,000,000	
Preferred "	5,000,000	
Notes and Accounts	4,274,733	
Miscellaneous	1,284,834	
		$38,505,567
Capital Expenditure,		
Steel Department	$ 864,626	
Coal "	641,261	
Sundries	225,000	
		1,730,887

THE DOMINION COAL COMPANY.

Assets, including Property account of $20,446,256		$20,977,306
Liabilities,		
Common Shares	$15,000,000	
Preferred "	3,000,000	
1st Mortgage Bonds	2,594,000	
Miscellaneous	383,306	
		20,977,306
Profit and Loss,		
Ten months' rental and interest		1,361,341
Preferred Stock dividend	$ 200,000	
Common Stock "	900,000	
Bond interest	143,996	
General expense	52,484	
		1,296,481
Sinking fund for 10 months		130,824

The following were elected Directors of the Steel Company: James Ross, President; Hon. George A. Cox, Hon. L. J. Forget and J. H. Plummer, Vice-Presidents; Sir W. C. Van Horne, Hon. David Mackeen, Hon. R. Mackay, H. F. Dimock, F. S. Pearson, R. B. Angus, J. S. McLennan, Elias Rogers, W. B. Ross, K.C., B. F. Pearson, H. M. Whitney, Fred. Nicholls and William McMaster. Of these Messrs. Plummer, Nicholls and McMaster were new members of the Board. In the Coal Company the Directors were re-elected—including Lord Strathcona, Sir W. C. Van Horne, Senator Forget, R. B. Angus, James Ross, Senator Cox, H. M. Whitney, H. F. Dimock, Senator Mackeen, W. B. Ross, K.C., J. S. McLennan and F. S. Pearson. Meanwhile, Mr. G. H. Duggan had been acting as General Manager of the concerns at Sydney and, during succeeding months, visits were made to the works by leading Directors such as Mr. Ross, Senator Cox, Mr. Nicholls and Mr. Plummer.

At a meeting of the Directors on May 29th, it was stated that Mr. Duggan would continue to act as General Manager with Mr. A. Baker as Manager and that Mr. J. H. Plummer would act as assistant to President Ross. On June 5th, Messrs. Ross, Cox and other Directors waited upon the Dominion Government and pressed for a general increase in duties on structural steel, building material, steel plates for ships, etc. Replying to an assertion by Mr. Bourassa, in the House of Commons, Senator Cox on June 10th stated to the press that he had been neither a buyer nor seller of the stock, that his holdings had not varied 300 shares during the year and that he had invariably abstained from giving advice in the matter of buying or selling the stock.

In June, Mr. James Ross retired from the Montreal and Toronto Street Railway Boards in order, it was said, to give his undivided attention to the affairs of the Dominion Steel and Coal Companies in which he announced himself as having the most unbounded faith. Speaking to the Halifax *Chronicle* on June 30th, Mr. A. J. Moxham, the former General Manager of the Dominion Iron and Steel Company, said: "I still believe that sooner or later the cheapest steel on the American side will be made at Sydney. Every essential factor has been proved, the rest is only a matter of time and management. The ultimate future of Sydney is already assured. The plant is in existence, and is not likely to take wings and fly away. The opportunity to make steel cheaply is also positive. The facts do not permit of a plant that could long remain idle under these conditions." On July 9th, it was stated that the entire amount of a $1,500,000 bond issue of the Steel Company, which was intended to complete the new mills and other improvements, had been taken up by the Directors themselves—subject, however, to some conditions as to tariffs, etc. Following this came many rumours as to a coming separation of the Steel and Coal concerns and discussions as to its desirability or the reverse.

On July 31st, the Directors of the two Companies met at

Montreal and it was stated that a decision had been come to cancelling the lease of the Coal Company to the other concern. A little later, on Aug. 18th, Mr. Ross resigned his place as President and Director of the Dominion Iron and Steel Company on the ground that remaining on both Boards was incompatible. He described his chief interest as being in the Coal Company although he was also one of the largest holders of the bonds and stocks of the other concern. On Aug. 19th Mr. Fred. Nicholls of Toronto and Senator Forget of Montreal were elected Vice-Presidents of the Iron and Steel Company. Meanwhile, it was publicly and frequently stated that different interests amongst the Directorate were at conflict as to the proposed separation and that a definite and final decision had not yet been arrived at. Mr. Ross, it was said, favoured complete separation, while Senator Cox and others wanted a continuation of the lease until the time had come for amalgamation. Finally, on Sept. 12th, it was announced that terms of separation had been decided upon by the Directors subject to the approval of the respective shareholders. The following were the main points in the arrangement:

The Coal Company is to pay to the Steel Company $2,635,000 ; it is to assume the direct current liabilities for wages, supplies, etc., of the Coal Department of the Steel Company's business ; and is to receive the benefit of the current cash assets of the business, consisting of accounts receivable, coal on hand, and in transit, stores, etc. These are all good value, and the net amount which they should realize after payment of the current liabilities would be about $1,500,000. The Coal Company, therefore, pays and the Steel Company receives, a sum of about $1,100,000 as a consideration for the surrender of the lease and for the revision of the contract for the supply hereafter mentioned. The Steel Company has paid into its Coal Department out of its ordinary resources the sum of $1,480,000, and has given its notes for $655,000, which are now to be paid. These two sums, including interest, would be the measure of the Steel Company's investment in its coal business, say $2,135,000, which will now be returned with $500,000 in addition.

By this arrangement the proceeds of the recent bond issue of $1,500,000 became subject to the disposal of the Iron and Steel Directors and a new contract for coal was made giving them all they required for working purposes at prices similar to those under the recent lease. At the same time, however, the quantity was restricted to a plant of four blast furnaces and accessories and after four years the Coal Company would have the option of supplying slack instead of run-of-mine coal while provision was made for a more frequent adjustment of price and revision of the contract.

The shareholders of the two Companies met on Sept. 25th and agreed to the cancellation of the lease and those of the Steel Company authorized a further bond issue of $2,500,000 six per cent., 10-year sinking fund second mortgage bonds—of which $1,500,000 had been already subscribed. Mr. J. H. Plummer presided at this meeting and Mr. F. Nicholls declared the solution a happy issue out of their troubles. The lease, in his opinion, had

been a mistake. Mr. Ross presided over the Coal Company meeting and in the course of his speech gave the following facts as to its financial condition before and since the association of the two concerns:

	March 1, 1902.	July 31, 1903.
Bonds outstanding	$2,704,500 00	$2,580,500 00
Mortgages and debentures	600,783 50	514,548 04
Floating debt	1,139,752 65	590,346 91
Interest, sinking fund, and preferred stock dividend accrued	160,231 70	166,321 70
Loan for two years	.....	2,380,000 00
Totals	$4,605,267 85	$6,231,716 65
Cash Assets	1,715,936 44	2,102,236 12
Sinking fund investments, cash	134,547 05	281,677 49
Totals	$1,850,483 49	$2,383,913 61

To make the separation legal, however, it was necessary for the Nova Scotia Legislature to approve the action and, on Nov. 10th, a conference was held at Halifax between Mr. Premier Murray and Messrs. Ross, Plummer and others. On Nov. 26th, Mr. H. M. Whitney, of Boston, the founder of the concern, was interviewed at Sydney and declared the Iron and Steel Company fortunate in its coming choice of Mr. Plummer as chief executive officer and in the expected appointment of Mr. Graham Fraser of the Nova Scotia Steel and Coal Company as its Manager. "The new departure is, in my judgment, significant of much better days to come. The Company will save their money and their resources for finishing the construction work to make ready for the turning out of the finished materials. The aid already received from the Government is of the first importance, and I believe that the Company will receive at the hands of the Government, whichever party may be in power, such measures of protection as will enable them to sell their products at a profit."

A special session of the Provincial Legislature was held on Dec. 5th and the arrangements already outlined approved after a debate in which the great national and Provincial importance of the industry was accentuated. On Dec. 17th, the Directors of the Dominion Iron and Steel Company met at Montreal and appointed Mr. J. H. Plummer President and Mr. Graham Fraser General Manager. Senator Forget resigned his Vice-Presidency leaving Mr. Nicholls as the sole Vice-President. At the same time, the Dominion Coal Company Board met and Mr. J. S. McLennan resigned his Directorship and was succeeded by Mr. F. L. Wanklyn of Montreal. On Dec. 27th it was stated that Mr. H. M. Whitney had resigned his position on the Board of the Coal Company and been succeeded by Mr. J. Reid Wilson of Montreal. Two days later Senator Forget retired from the Vice-Presidency of this Company and was replaced by Mr. F. L. Wanklyn.

The Consolidated Lake Superior Company

The fluctuating fortunes of this great industry, or combination of industries, at Sault Ste. Marie, constituted one of the most striking developments of the year in Canada. The first of many rumours as to the retirement of Mr. F. H. Clergue from its management appeared in the press on Jan. 16th and it was categorically stated that this would take effect on Apl 1st. On Mch 17th, a statement of the Board of Directors was made public showing that out of $35,000,000,* which was the amount of the authorized preferred stock of the Company, $27,790,200 had been paid up and expended as follows:

Iron and steel plants and their accessories	$4,438,300
Ferro-nickel reduction works at Sault Ste. Marie	499,700
Mining properties	1,082,000
Transportation interests	9,482,200
Two pulp mills	1,024,000
Water-power development, Michigan side	6,423,600
Water-power development, Canadian side	953,800
Saw mills and lumber operations	268,700
Tagona water and light plant	321,000
Office buildings and other real estate	296,900
Materials and supplies on hand	3,000,000

On Apl 1st it was announced that Mr. Cornelius Shields, General Manager of the Dominion Iron and Steel and Coal Companies of Sydney, had succeeded Mr. Clergue in the general management of the Consolidated Company with the added position of President of the concern. Mr. Clergue, who was in Ottawa at the time, informed the press that it had been his special wish since the retirement of the President, F. S. Lewis, late in 1902, that a successor should be appointed who would be a practical man and who could take over some of the management from himself. A more intimate relationship between the financial and operative parts of the great concern was now necessary. He would remain a Director and retain his active interest in the Company. Of him, in this connection, the Toronto *Globe* well said on Apl 3rd:

> Mr. Clergue's future relation to the great industrial organization which has revolutionized the Sault has not been announced but Canadians will always remember with kindly feeling his intelligence, courage, and versatility as a promoter. The great pulp mills, the power canals on the two sides of the river, the steel works, the docks and steamship line, the mining enterprise near Michipicoten, and the Algoma Central Railway, with its solid roadbed and excellent equipment, are standing monuments of his resourcefulness and co-ordinating capacity.

By the middle of the year the varied efforts of the Consolidated Company, through Mr. Shields, Mr. Clergue and others, to realize the funds necessary to take up a $5,050,000 loan from Speyer and Company of New York, which was rapidly maturing, had failed. Whether it was due to the collapse of the stock market, the general decline of their credit, or the schemes of New York capitalists connected with the Steel Trust, can not be abso-

* Note—For fuller particulars of the Company's position see *The Canadian Annual Review*, 1902, pages 297-300.

lutely stated. On July 9th, however, the Directors decided on a scheme of re-organization together with a pressing appeal to their own shareholders to save the concern. The plan proposed was to create $15,000,000 in 30-year four per cent. bonds, $12,500,000 of which were to be offered to the stockholders at $600 on the $1,000. Each holder of eighty shares of stock was to be given the privilege of subscribing $600 for one $1,000 bond. Large subscriptions were to be made on the same ratio. The balance of the $15,000,000 bond issue was to remain in the treasury for future use. The circumstances of the Company were explained at length in the President's report and it was positively stated that the earnings for the fiscal year then beginning would be $900,000.

If this appeal was not met the Company would, is was stated, have to go into the hands of a Receiver with an issue of capital stock amounting to $102,000,000 and securities held in Philadelphia totalling $70,000,000. On July 23rd President Shields issued a circular urging shareholders to subscribe to this new issue of stock and assuring them that it was quite safe. Apart from immediate financial needs everything was in a most satisfactory condition. The costly period of construction was past and all operations were being carried on at a profit. The following official statement was made public on Aug. 7th and is important historically as showing the working condition of the concern at this critical period:

1. The Algoma Central car shops are turning out eight cars per day for the C.P.R. The ground wood-pulp mill is turning out 70 tons of pulp per day, while the sulphite mill is turning out 40 tons per day. 2. The Algoma Iron Works and Machine shop employ 185 men per day. 3. The Canadian Electro-Chemical Works are producing 3 tons of caustic soda and 7 tons of bleaching powder daily. 4. The Soo Sawmill is turning out 105,000 feet of lumber, and 25,000 lath daily. 5. The Veneer Mill is turning out 30,000 square feet of veneer per day. 6. The Goulays Sawmill is manufacturing 70,000 shingles and 20,000 lath per day. 7. The Algoma Central Railway and Algoma Central Steamship lines are in full operation. 8. The rail mill, Bessemer converters and blast furnaces are in readiness to make iron and roll rails as soon as iron ore and coke are received. 9. The brick plant is turning out 16,000 pressed brick daily. 10. The Company have 2,000 men in the woods cutting veneer, logs, pulp, charcoal, wood and sawlogs. 11. 1,400 tons of iron ore are being taken from the Helen mine each day. 12. Fifty-eight men are employed at the Grace gold mine, and 60 men at the Gertrude nickel mine. 13. 125 men are employed daily on the Fore Bay of the power canal of the Michigan Lake Superior Power Company, which will be completed not later than Aug. 15th. 14. The Tagona Water and Light Company is in full operation, supplying water and light in the Canadian Soo, and constantly employing 50 men, laying water mains, etc. 15. The two Street Railway lines and ferry boats are each carrying between 2,500 and 3,500 people daily. 16. The retort plant manufactures 6,000 bushels of charcoal, 10 tons of acetate of lime, 1,500 gallons of wood alcohol per day, and employs 80 men. 17. Construction on the copper-nickel converter plant, intended to smelt 300 tons of nickel-copper ore per day, is being pushed by a gang of 30 men, and the plant is expected to be ready for operation by Sept. 5th.

On Aug. 25th, the Directors admitted the failure of the pro-

posed bond issue and between this date and Sept. 18th, when the works were closed, desperate efforts were made to avert the impending disaster. Various plans were proposed and some attempted but they all failed and on the date indicated Canada as a whole was shocked to hear of one of its greatest and best-known industries having closed down with 3,500 men out of employment. It was officially stated on the following day that the men would be paid off on Sept. 28th. The Premier of Ontario was interviewed at Toronto and expressed his belief that the suspension would be temporary. Only the stringency in the United States money market had made it possible. Mr. George E. Drummond of Montreal, shared this belief, and declared the works well planned, with good value for all that had been spent on them, and the steel rail mill to be capable of supplying all the present demands of the Canadian market.

Mr. Clergue at once went to work with his accustomed energy. British capitalists then visiting Canada were interested in the matter and the Ontario Premier asked for aid. To the *Globe* of Sept. 21st, he made the following statement: "Mr. Shields accepted the Presidency with the most positive assurance from financial interests in the Company, of the most reliable character, that funds would be provided on July 1st for the taking up of the Speyer loan and for providing 2½ million dollars of working capital. The unexpected continuance of money pressure in New York made it impossible for the fulfillment of promises made in the utmost good faith."

Ten days later the Hon. Mr. Ross issued a statement to the effect that an appeal had been received from the workingmen at the Sault as to their wages, in case of payment not being made on the 28th, and the Government had decided on withholding the land grant to the Algoma Central Railway until all wages were paid. Following this came the intimation on Sept. 28th of the Company's inability to pay the wages, a serious riot in the town, the calling out of the Militia, the call for troops from Toronto and the immediate despatch of Col. Buchan, C.M.G., with 60 men. By Sept. 30th 287 volunteers were present from Toronto and 400 troops altogether. But there was no further trouble and they returned home on Oct. 2nd.

Meanwhile, the Ontario Government had decided to take action, and on Oct. 1st, Mr. Clergue was able to state that the men's wages would be paid by the local banks under instructions from the Government. Speyer and Company's forced sale of the property was postponed at the same time and on the following day a new re-organization scheme was launched from Philadelphia with $8,000,000 as the amount to be raised. Messrs. Clergue and Shields had, meanwhile, been in New York and Philadelphia and were said to have been promised aid from England to which the former went and where he arrived on Nov. 3rd. Writs were, meantime, being issued for large amounts against the various subsidiary concerns of the Company and, on Oct. 17th,

the following statistics were published showing the holdings of the Consolidated Company in the other concerns:

Company.	Total Stock.	Owned by Consolidated Company.
The Ontario Lake Superior Company	$20,000,000	$19,989,000
The Algoma Steel Company, Limited	20,000,000	19,998,600
The Michigan Lake Superior Company	500,000	499,300
Tagona Water and Light Company	200,000	199,500
The Sault Ste. Marie Pulp and Paper Company	2,000,000	1,965,000
The International Transit Company	150,000	150,000
St. Mary's Traction Company	400,000	400,000
British-American Express Company	100,000	100,000
The Manitoulin and North Shore Railway Company	1,000,000	1,000,000
The Algoma Commercial Company, Limited	10,000,000	*9,998,250
The Algoma Central and Hudson's Bay Railway Company	10,000,000	*9,998,600

On Oct. 13th, Mr. Clergue arrived from England, accompanied by Mr. A. W. Harvey of London and Senator Dandurand of Montreal, who were greatly interested in the proposed re-organization. They were all very hopeful. The annual meeting of the shareholders took place on Oct. 26th, when the Directors were re-elected as follows: Gordon Abbott, E. J. Berwind, F. H. Clergue, Cornelius Shields, Lynde Harrison, H. G. Lloyd, H. K. McHaig, C. McDonald, C. E. H. Philer, S. M. Prevost, Samuel Dea, T. C. Search, J. S. Swartz and C. Tweed.

On Dec. 14th Mr. Justice MacMahon granted an order winding up the affairs of the Consolidated Company and appointing J. C. Carruth of New Haven, Conn., and the Toronto General Trusts Corporation of Toronto as Provisional liquidators. On the following day the long-delayed sale of the property, or rather of certain holdings in the properties, took place in New York and Speyer and Company bought these rights in for $4,500,000. The year closed with Mr. Clergue still labouring anxiously and energetically and in frequent conference with the Ontario Government and capitalists in Illinois and Philadelphia, with a view to some kind of re-organization.

MISCELLANEOUS INDUSTRIAL INCIDENTS

Feb. 1.—Mr. F. W. Thompson of the Ogilvie Flour Mills Company tells the Montreal *Gazette* something of their year's development: "We have under construction on the Lachine Canal, in connection with our water-power privileges, a large feed and cereal mill, and in addition will also begin the erection of another large flour mill at an early date, to be located in connection with the same power privileges. I have also made arrangements with the Government, as soon as the water is let out of the Canal this spring, to put a large force of men at work to increase the power at our Royal Mill plant, which will double the capacity of that mill. This enlargement of our capacity is forced upon us by the increasing demand for Ogilvie's products, which of course means a considerable addition to the industrial development of Montreal; and when completed will make it the largest milling centre in Canada."

Feb. 6.—The Temiskaming Railway Commission is advised by Mr. Theodore C. Search, of the Consolidated Lake Superior Company, that on account of the incomplete works of the Algoma

* NOTE—Owned by the Ontario Lake Superior Consolidated Company.

Steel Company they will have to withdraw from the contract to supply steel rails for the new line.

Mch. 4.—At the annual meeting of the Intercolonial Coal Mining Company, a production for the past year of 235,028 tons of coal is reported. Mr. J. P. Cleghorn is re-elected President and Mr. Charles Fergie Vice-President.

Mch. 27.—Mr. William Mackenzie becomes a Director of the Shawenegan Water and Power Company.

Mch. 30.—The fruit canning interests of Ontario are consolidated into the Canadian Canners Consolidated Companies, Limited, with a capital of $2,500,000.

Mch. 31.—The annual statement of the Nova Scotia Steel and Coal Company shows $4,120,000 ordinary capital, $859,397 profits, $232,000 bond interest and preference dividend. The total profits since 1899 are $2,633,542.

Apl. 24.—In proposing the incorporation of the Aluminum Production Company of New Brunswick the Hon. Mr. Pugsley informs the Legislature that the intention is to provide aluminum for the manufacture of a new metal called macadamite of which it is a constituent element. There is said to be a great demand for it and he states the Company's expectation of employing 3,000 or 4,000 men and utilizing 150,000 tons of coal a year.

May 27.—Mr. F. H. Clergue wins in his controversy before the Ontario Legislature with Mr. E. S. Jenison as to certain water and power privileges on the Kaministiquia River.

May 28.—Mr. Cornelius Shields is given a reception, addresses and a presentation, at Sydney, C.B., upon his retirement from the management of the Dominion Steel and Coal Companies.

June 18.—At a meeting of the Nova Scotia Steel and Coal Company Directors, with President J. F. Stairs in the chair, the annual Report shows the Company to have been earning 18 per cent. on its capital in the past six months and states that the entire output of steel works and coal properties for the present year had been sold. A quarterly dividend of two per cent. is declared and a vigorous denial given to the rumours of amalgamation with the Dominion Iron and Steel Company.

June 25.—Mr. Frederic Nicholls explains to the *Globe* why the present tariff may protect the Nova Scotia Steel and Coal Company and not the Dominion Steel Company. The latter propose to manufacture in certain lines not handled by the former such as iron rods, large steel plates and structural steel shapes upon which there is practically no protection.

July 6.—Reports regarding the operations of the Dominion Packing Company at Charlottetown are most favourable. According to the Halifax *Chronicle*: "It is accepting all the beef, pork and sheep offered it, paying good prices in cash for all products offered it. It has twenty-nine purchasing stations along the Prince Edward Island Railway with sheds, yards and scales attached, where it has its own purchasing agents. The prices paid are uniform at all the stations, so that the most distant farmer is not discriminated against by reason of transportation charges."

Oct. 1.—The International Harvester Company of Canada, Limited, with headquarters at Hamilton, and a capital of $1,000,000 receive their charter. An amalgamation of the Deering and McCormick interests of Chicago, the local incorporators include H. Carscallen, K.C., M.P.P., E. D. Cahill, J. H. Tilden, D. R. Tate, J. M. Harris, R. L. Harkins and others.

Oct. 8.—The annual meeting of the Ogilvie Flour Mills Company at Montreal, shows the most important business year in its history. Mr. C. R. Hosmer is elected President and Mr. F. W. Thompson Vice-President and Managing Director.

Oct. 10.—The Quebec *Telegraph* declares that the boot and shoe industry —the staple industry of the place—is passing away. "The one great alarming fact which still stares us in the face is that the chief factor, which formerly assured to Quebec its pre-eminence in the boot and shoe industry, has also practically disappeared. We mean cheap, steady and reliable labour. This it was that enabled local manufacturers to overcome the disadvantages of Quebec's geographical position."

Oct. 24.—A statement as to the allied industries of Shawenegan—pulp-mills, etc.—shows a value in real property and improvements of $7,000,000 with 2,000 people employed.

Oct. 26.—The Sturgeon Falls Pulp Company's Paper Mill, controlled by English and United States capitalists, under construction for six years and costing a large sum of money, commences work with some 400 men engaged and an immediate production of 50 tons a day.

Oct. 31.—The Toronto Star describes at length the unique arrangement by which Senator Cox, Senator Melvin Jones, J. W. Flavelle, Warren Y. Soper and half-a-dozen other holders of $1,300,000 preferred stock in the Canada Cycle and Motor Company propose to place in the hands of Trustees $1,000,000 worth of this stock to be divided amongst the smaller shareholders in the total of $2,500,000 originally subscribed, and who may be fairly thought to have invested on the strength of the Directors' names (as mentioned) moneys which they could ill afford to lose.

Nov. 11.—Mr. D. D. McKenzie, M.P.P. of North Sydney tells the Halifax *Herald* that every department of the Nova Scotia Steel and Coal Company is managed by natives of the Province.

Nov. 17.—Notice is given that, beginning with Dec. 1st, all wages and salaries of employees of the Dominion Iron and Steel Company will be reduced from 10 to 33 1-3 per cent. and common labourers paid $1.26 per day.

Nov. 28.—In a speech at Rye, England, the Hon. T. A. Brassey, a recent visitor in Canada, states that the best agricultural machinery in the world is made by the Massey-Harris Company of Toronto.

Dec. 1.—Mr. George I. Wilson, of Vancouver, becomes General Manager and Mr. R. J. Ker, Secretary, of the British Columbia Packers' Association which owns and operates some 24 salmon canneries.

Dec. 2.—It is stated that 18 manufacturing establishments in Brantford, Ont., which, in 1896 employed 1439 men, now employ 3820.

Dec. 10.—It is stated that the Cramp Steel Company which has for some time been constructing substantial buildings and plant in Collingwood has temporarily suspended.

Dec. 15.—Negotiations fail in a proposed combine of the Dominion, Montreal, Canadian Coloured, and Merchants' Cotton Companies.

XIII.—DOMINION AND PROVINCIAL FINANCES

The Dominion Budget of 1903

The Hon. W. S. Fielding, Minister of Finance, delivered the Budget speech on April 16th. He first dealt with the continued prosperity of the country and redundancy of the revenue. In 1902 his estimate of the revenue for the ensuing fiscal year was $56,800,000, and the expenditure chargeable to income, $51,000,000—leaving a probable surplus of $5,800,000. "So far as the expenditure was concerned, the estimate proved to be a very close one, the actual expenditure being $50,759,391, but on the revenue side the last months of the year proved to be so very prosperous that our revenue exceeded the expectation by a very considerable sum. The revenue reached the sum of $58,050,790, being greater than my estimate by $1,250,790 and greater than the revenue of the preceding year by $5,536,088." The surplus was, therefore, $7,921,399.

Expenditures	1900-1	1901-2
Consolidated Fund or Expenditure Chargeable to Income	$46,866,367 84	$50,759,391 97
Capital—		
Railways	$3,914,010 50	$5,102,838 99
Canals	2,360,569 89	2,114,689 88
Public Works	1,006,983 39	2,190,125 09
Dominion Lands	269,060 90	370,837 97
Militia	135,884 79	299,697 43
Canadian Pacific Railway	8,978 87	448 70
Total Capital	$7,695,488 34	$10,078,638 06
Special—		
Railway Subsidies	$2,512,328 86	$2,093,939 00
South African Contingents and Halifax Garrison	908,681 42	247,741 45
*Bounties on Iron and Steel	.....	791,089 38
Total Special	$ 3,421,010 28	$3,132,769 83
Total Capital and Special	$11,116,498 62	$13,211,407 89
Total Expenditure of all kinds	$57,982,866 46	$63,970,799 86

During the current fiscal year, 1902-3, Mr. Fielding pointed out that the actual revenue for nine months had been $48,348,125, and estimated the year's complete returns at $65,000,000, or an increase of seven millions upon the preceding year. The actual expenditures in the nine months had been $32,870,204, and his estimated total for the year was $51,650,000 chargeable to income or Consolidated Fund. The consequent estimated and probable surplus for 1902-3 was the unprecedented amount of $13,350,000. Turning to the consideration of the Public Debt, the Minister stated that in

*Previously paid out of Customs receipts.

1901-2 the addition had amounted to $3,349,085—a sum considerably less than he had expected in view of the large capital expenditures going on. "At the close of the present year (1902-3), after providing for all our charges against income and expenditures on capital account, which will be $10,000,000 or a little more, I anticipate that we shall not only add nothing to the Public Debt, but make a reduction of that Debt to the amount of $5,650,000." The net Debt, according to this statement, was in 1902, $271,029,089, or $49.97 per head of the population, and in 1903, $266,179,089, or $48.31 per head. In this connection he referred to the loans maturing in London—one for $2,500,000 at 5 per cent., with sinking fund, on October 1st; one for $7,500,000 at 4 per cent., with sinking fund of $4,847,500, on October 1st; and one for $2,852,000, without sinking fund, on November 1st. For the first two he hoped to be able to provide out of revenues, and for the last-mentioned he proposed to issue a domestic loan at 3½ per cent. for ten years.

On April 17th, Mr. R. L. Borden, the Opposition Leader, followed in an exhaustive analysis of the Budget and criticism of the Minister's announced policy. He commenced by comparing taxation under the Conservative and Liberal Governments. From 1891 to 1896 the total revenues from that source, he stated, were $168,866,362. During the latter *regime*, from 1897 to 1902, they were $213,558,036—an increase of $44,691,674. The average annual taxation under Conservative auspices was, therefore, $28,144,394; under Liberal auspices, $35,593,006. He asked why, with such redundant revenues, duties on tobacco, sugar, coal and breadstuffs had been maintained despite former Liberal denunciation of taxes upon fuel and food. The expenditures, also, he claimed to have risen enormously—from a total of $251,682,027 in 1891-6 to $314,520,785 in 1897-1902. Mr. Borden went on to say that he was not carping at any fair and reasonable expenditure in a young and growing country, but he wanted a systematic plan and wise purpose in this expenditure. He estimated the expenditure per capita as having steadily increased from $8.22 in 1896 to $11.82 in 1902. In other words, our population had increased about 6½ per cent., our expenditure about 53 per cent., and our per capita expenditure about 44 per cent.

Referring to the estimated surplus of $13,000,000 for the current year, Mr. Borden expressed doubt as to its being such a very satisfactory subject. If this increased revenue meant an increased importation of industrial and agricultural products, which the people of Canada might have themselves produced, then it could hardly be a matter of congratulation. In any case it was so much more money taken from the pockets of the people, and he quoted an old-time statement by Sir Richard Cartwright that "taxation is an evil that nothing but the requirements of government can justify." One result of these surpluses was an increased demand for unnecessary appropriations for private interests by political

supporters of the Government. The speaker then dealt with the trade returns at some length, criticised the operations of the Preferential tariff, denounced the Government's attitude toward Germany in recent years, urged more adequate protection to native industries, and concluded by moving a Resolution embodying in general terms the Conservative fiscal policy. It was defeated by 108 to 54 votes.

On Mch 16th the main estimates for 1903-4 had been submitted to Parliament by the Minister of Finance and totalled $57,109,974 as against $59,061,934 in 1902-3. The supplementary estimates were presented on Oct. 1st and showed $5,861,884 chargeable to Consolidated Fund and $4,728,978 chargeable to Capital. In the House of Commons on Oct. 21st Mr. A. C. Bell moved a lengthy Resolution of censure on the Government for their financial policy in which the main point was a statement that the increasing debt and expenditure kept pace with the increasing revenues and that the sum of $68,472,303 voted by Parliament for expenditure in the current year was excessive and extravagant. Mr. Fielding defended the Government position in connection with the rapid growth of a new country and the vote was 68 to 30 against the Resolution. In Toronto, on Oct. 24th, Mr. N. Boyd, M.P., told the *News* that Parliament had voted during this Session a total of $256,280,704 for public purposes.

The Ontario Budget and Finances

The Hon. George W. Ross, Premier and Treasurer, delivered his Budget speech on Apl 29th. His estimated receipts for the year ending Dec. 31st, 1902, had been $4,075,872; the actual receipts he now announced as $4,292,021. The estimated expenditure had been $4,196,025; the actual expenditure, not including statutory charges, was $4,064,663. These charges, which it had been the custom to consider separately, included payments for drainage and tile debentures of $1,625; for railway aid certificates, $126,177; for annuities, $102,900; for the University $40,444; for common school lands $9,193; or a total of $279,340. With the ordinary expenditure these sums brought the total up to $4,345,003, or $52,982 in excess of the actual revenue. The year closed with a bank balance of $1,415,510.

There had been a marked shrinkage during the year in the receipts from Crown Lands and from Succession duties—$133,146 in the former case and $130,412 in the latter. There were increases in other directions. The estimated revenue for 1903 was $4,403,372; the estimated expenditure $4,537,428. The expected increase in expenditure, the Treasurer explained, was due to larger amounts granted to various educational needs in newer districts, to the growth of the School of Practical Science, the establishment of public libraries, the development of technical education and the requirements of the University of Toronto. There were larger grants in connection with agricultural education and encouragement, and various special sums had been given

for aiding immigration, building colonization roads, surveying new territories, exploring for coal, etc. The following figures are condensed from a table given as the Assets and Liabilities of the Province:

Assets.	
Direct Investments	$ 190,962.23
Funds held by the Dominion on behalf of Ontario upon which interest at 5 per cent. per annum is paid	4,758,135.15
Common School Fund held by the Dominion with interest at 5 per cent., and of which Ontario's share upon the basis of the 1901 Census, is	1,459,600.85
Bank Balances	1,415,510.74
	$7,824,208.97
Liabilities.	
Balance of account current with the Dominion from Confederation to date	$1,807,986.49
Railway certificates—Present value	2,290,122.25
Annuities—Present value	1,782,631.29
Common School Fund Collections	4,206.15
	$5,884,946.18
Surplus of Assets after deducting Liabilities	$1,939,262.79

Lieut.-Col. A. J. Matheson followed the Treasurer in his annual criticism of the Budget. He deprecated the revenue from the sale of timber limits being used for ordinary expenditures; claimed that the Province had overdrawn its account at Ottawa and was not being fairly treated in the matter of interest on trust funds; stated that Ontario paid in customs, inland revenue, and Post Office fees, about one-half of the revenue of the Dominion but did not receive its fair share of Provincial subsidies; estimated that the ordinary revenue of 1902—leaving aside the receipts from timber limits—had failed to meet the expenditure by $240,000; and placed the deficit for the current year at $450,000. He stated that to claim the Common School Fund held in trust by the Dominion as Provincial Assets was an attempt to delude the people. Eliminating this Fund and with the debt owed by the Province to the Dominion and the railway debt included, he estimated the net Debt of Ontario at $4,966,000.* In this connection an interesting correspondence was laid before the Legislature by the Premier on May 15th. In a letter dated Apl 18th, 1903, the Dominion Minister of Finance wrote as follows:

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*NOTE—Writing to the Editor in this connection on July 15th, 1903, Colonel Matheson said: "What I have asserted, using the figures for December 31st, 1902, as to the Debt question, is that the Province owes:

To the Dominion	$1,815,848
Railway certificates	2,290,122
Annuity "	1,782,681
	$5,888,651
And that the only assets available to pay this are cash on hand and debentures	1,606,472
Leaving a net Debt of	$4,282,179

In addition to this the Dominion claims under Indian Treaty No. 3 are from half a million to a million dollars."

The position of the account between the Dominion and the Province at present is that there is a certain sum due by the Province to the Dominion on which you are paying four per cent. and a certain sum, a little larger, on which you have been claiming five per cent. Both these sums stand in the position of ordinary debts, which may be paid off at any time. Pending a mutual arrangement for such payment, I would suggest that the more convenient way to deal with the matter would be to treat these sums as cross entries. There would be a balance in your favour upon which we would be willing, temporarily, to allow you four per cent. If this arrangement is not satisfactory we shall be prepared to pay off the amount of our indebtedness to your Government before the 1st of January next.

The Ontario Premier replied on May 8th refusing to agree to any change in interest or to "acknowledge the right of the Dominion, at its option, to pay off the said Trust Funds or any part of them."

The Quebec Budget and Finances

The Hon. H. T. Duffy, Provincial Treasurer, delivered what was destined to be his last Budget speech on Mch 26th. He first described the policy of the Marchand and Parent Governments as one of economy; that of the Opposition as one of new taxes and increased indebtedness. For the year ending June 30th, 1902, the ordinary receipts were $4,515,169 and the ordinary expenditure $4,470,332 with an additional extraordinary expenditure of $20,345. This left a surplus of $24,492. The estimated ordinary receipts had been $4,321,761 and expenditures $4,267,643. His estimate for 1903-4 included ordinary receipts of $4,478,765 and expenditures of $4,426,133, with an additional item of $50,500 in the latter case, and left an expected surplus of $2,131. The following was the Treasurer's statement as to Provincial Assets and Liabilities:

Assets.		
Balance of price, Q. M. O. & O. Railway, unpaid, $7,000,000, with certain minor amounts invested or deposited in banks	$7,600,000.00	
Province of Quebec 3 per cent. Inscribed Stock	106,142.95	
Railway Grant under Dominion Act	2,394,000.00	
Cash in Banks	139,632.92	
Claim *re* McGreevy and advances to various parties	259,332.89	
Quebec Court House Tax and cost of Jacques Cartier School ($5,391.11), Montreal	153,591.11	
		$10,652,699.87
Liabilities.		
Funded Debt outstanding	$34,934,871.90	
Temporary Loan	700,000.00	
Trust Deposits	440,787.84	
Outstanding Warrants	93,369.28	
Railway land and money subsidies, not yet earned	594,679.08	
Grant to Quebec Bridge	190,000.00	
Quebec Court House Bonds	148,200.00	
Miscellaneous	30,218.75	
		$37,132,126.85
Excess of Liabilities over Assets		$26,479,426.98

Mr. Duffy proceeded with an elaborate consideration of the issues between Ontario and Quebec in the old Trust Funds matter preceding Confederation and read a Memorandum upon the subject prepared by Mr. H. T. Machin, Assistant-Treasurer. He also dealt with the conversion of the Debt and stated the total amount of bonds converted up to June 30th, 1902, at $7,463,821, for which had been issued $9,202,618 of Inscribed 3 per cent. stock, with an annual saving of $35,250 in interest. He urged, at length, an increase in Dominion Subsidies and stated that Quebec had filed a claim with the Dominion for $1,425,855 in connection with the Halifax Award matter.

The Hon. E. J. Flynn, Opposition Leader, criticized the inclusion of the proceeds of timber limit sales in the receipts and, by deducting this amount of $201,002 in 1902, made out a substantial deficit. He claimed that expenses had been steadily increasing; stated that the Liberal Government of the past five years had the advantage of realizing $1,103,562 from the sale of timber limits while the preceding Conservative Government of five years had only received $184,040 from this source; and alleged that during the Conservative 5-year period there had been a surplus of $476,989 and during the five years of Liberal rule a net deficit of $29,875. He moved a Resolution of censure on the Government for having "systematically endeavoured to cover annual deficits by selling timber limits" and declaring the actual deficit of the year to be $169,095. It was lost by the usual large party majority. On Apl 25th Resolutions presented by Mr. Duffy and looking to a complete consolidation of the Public Debt, with a uniform rate of interest, were approved by the Legislature. The total receipts and expenditures for the year ending June 30th, 1903, as eventually announced, were, respectively, $4,781,652 and $4,776,424. These totals included some items not given in the Budget speech or in the total figures for the preceding fiscal year.

Budgets of the Maritime Provinces

In Nova Scotia the Hon. G. H. Murray, Premier and Treasurer, presented his annual statement to the Legislature on Mch 5th. It dealt with the fiscal year ending Sept. 30th, 1902. The revenue was $1,140,216, the largest since Confederation and $89,000 more than in 1901. The expenditures were $1,087,401—leaving a surplus of $52,814. The chief item in the revenue was $487,948 from mineral dues and of this $413,556 was from coal. The Dominion Subsidy of $432,805 came next and $74,735 from Crown Lands was third. Of the expenditures $259,378 went for Education; $140,573 upon Public Charities such as hospitals, etc.; $94,478 upon Road Grants and $145,658 upon Debenture interest. The Assets of the Province were given as $1,411,226 of which $1,056,111 was due from the Dominion. The Liabilities included $2,043,500 of Provincial debentures payable in Halifax and $1,722,809 payable in London. Mr. Murray de-

clared that development was going on in every direction; that industries were all in a flourishing condition; that the revenue was buoyant and the credit of the Province increasing.

In New Brunswick the Hon. L. J. Tweedie, Premier and Treasurer, delivered his Budget speech on Apl 21st. For the fiscal year ending Oct. 31st, 1902, the receipts were $1,102,423, including $495,311 from Dominion Subsidies, $153,368 from timber dues, $25,996 from hunting, fishing and other licenses, and $250,000 from the sale of Provincial debentures. The expenditures were $1,095,637, including $201,480 upon Education, $132,-147, upon Interest not chargeable to special funds, $194,350 of ordinary expenditure upon Public Works; $150,000 special expenditure caused by floods and freshets, and $100,000 spent on permanent bridges. The estimated ordinary receipts for 1903 were $816,184 and the estimated expenditure $802,926. The Assets of the Province on Oct. 31st, 1902, were $634,491 and the Liabilities $3,710,632, of which latter $622,000 were Provincial debentures bearing 6 per cent. interest and $3,014,846 were Provincial debentures bearing interest at from 3 to 4½ per cent. Mr. Douglas Hazen, the Opposition Leader, criticized the Treasurer's statement at length and especially the borrowing of money for what he declared to be ordinary expenditures. His Resolution of censure in this respect, and for a rapidly increasing Public Debt, was voted down by a large Government majority.

In Prince Edward Island, the Hon. Arthur Peters, Premier and Treasurer, made his financial statement to the Legislature on Apl 22nd. For the year ending Dec. 31st, 1902, the ordinary receipts had been $324,670, including $211,931 from the Dominion Subsidy, $34,882 from the Provincial land tax, $14,910 from the Road tax and smaller sums from Commercial travellers' licenses and taxes on ferries, incorporated companies, incomes, etc. The ordinary expenditure had been $324,185 and the expenditure upon capital account $12,607. The Liabilities of the Province were $650,409, including $268,000 of Provincial debentures (less sinking fund of $27,691), outstanding loans of $174,247, and balances due to Banks of $235,853.

The Budget and Finances of Manitoba

The Budget speech of the Hon. John A. Davidson of Feb. 25th was destined to be his last effort of the kind. He stated, for the year ending Dec. 31st, 1902, the revenue to be $1,443,255, the net expenditure $1,153,569, and the surplus $289,686. The receipts included $523,912 from the Dominion subsidy; $254,-387 from the interest on School Lands Fund; $119,510 from general fees and land titles; $256,916 from Provincial lands; $95,441 from taxes on succession, insurance companies, corporations and railways. The expenditures included $281,856 upon Education; $130,852 upon agriculture and immigration; $220,629 upon public works and charitable institutions. The estimated revenue for 1903 was $1,415,327 and the estimated

expenditure $1,364,372. The Assets and Liabilities were stated as follows:

Direct Assets.	
Dominion Government Account	$3,907,801
Dominion Government School Lands Fund	708,418
Loans, Advances, etc.	137,810
Public Buildings	876,665
Cash on hand	317,830
Provincial Lands, 1,127,298 acres vested in Province and 6,282,702 acres to be transferred by Dominion at $3.00 per acre and with $1,523,199 due as deferred payments and interest	23,753,199
Total Assets	$29,701,723
Direct Liabilities.	
Provincial Debentures	$4,040,013
Surplus of Assets over Liabilities	$25,661,710

The Hon. Mr. Greenway, Opposition Leader, declared that the surplus was due to the sale of Provincial lands and claimed that the present Government had spent $276,598 a year more than his own preceding Government had done. Mr. T. A. Burrows went elaborately into the statistics of the past six years—three Liberal and three Conservative—and claimed that in 1897-8-9 the Greenway Government had paid back to the people in grants to schools, agriculture, charities, etc., 34 per cent. of the revenue while in 1900-1-2 the Conservative Government had only so returned 28 per cent.

The Territorial Budget and Finances

The financial affairs of the North-West Territories being very largely a Federal matter through the annual revenues coming, in the main, from Parliamentary grants, they were more or less discussed at Ottawa during the 1903 Session as well as at Regina. In the year ending Dec. 31st, 1902, the total receipts had been $649,691 of which $548,612 came from the Dominion Government. The expenditure of this sum included $298,139 upon Public Works, $175,013 upon Education, and the balance in small sums upon various necessaries of administration. Mr. F. W. G. Haultain, the Premier and Treasurer, made determined efforts during the year to obtain some increase in the Dominion grants, and was finally advised on Apl 16th that $250,000 additional would be voted for the 1903 overdraft; together with the privilege of drawing upon capital account for $500,000. Writing to the Hon. Mr. Fielding on June 12th the Premier claimed, however, that this arrangement was utterly inadequate and unsatisfactory. "It falls far short of the amount requested by us and shown to be absolutely necessary in the various statements already submitted." He declined to accept the $500,000 as a loan and protested vigorously against a proposal to deduct payments of $84,000 for bridges at Macleod and Lethbridge from the $250,-

000 additional grant and described them as properly Federal undertakings.

On June 18th, Mr. Haultain delivered his Budget speech. He referred to the Government having entered upon 1902 with $120,000 of their revenue spent and of having to face during 1903 the greatest floods in the history of the Territories with the destruction of at least 140 bridges. Out of this trouble they were temporarily aided by the banks. He stated that they had asked the Dominion for some relief from the "starvation allowance" of the past and had urged a main grant of $880,000 and a supplementary one of $250,000 to meet existing overdrafts. They had obtained a main grant of $707,979 and an advance of $250,000 to meet existing overdrafts on capital account.

He declared that no Government or Parliament at Ottawa had appreciated the Territories, or done their duty toward them, during the last 14 years and instanced various cases of difficulty and dispute. The estimates for 1903, he explained, provided for an expenditure of $711,843. The revenue now available apparently included $24,000 balance remaining on the first half-year's Dominion grant; $228,977 due on the half-year grant from July to December; $250,000 on the supplementary vote to meet overdraft; $125,000 on one-half year's additional Dominion vote; and $108,000 from local revenues—a total of $735,977. In Parliament, on Sept. 24th, the Hon. Mr. Fielding moved the following Resolutions upon which a Bill was based and duly passed through the House:

1. The Governor-General may, in his discretion, from time to time, advance to the Government of the North-West Territories any sum required for local improvements in the North-West Territories, not exceeding in the whole the sum of $250,000.

2. All sums so advanced to the Government of the North-West Territories shall be charged in an account to be known as The North-West Territories Debt Account, and shall, in any financial arrangement that may be made in connection with the organization of a province or provinces in the said Territories be taken into consideration as a debt owing by the said Territories to the Dominion of Canada.

The Finance Minister went on to say that the Federal grant to the Territories had been $40,000 in 1892; $193,000 in 1893; $199,000 in 1894; $225,000 in 1895; $267,000 in 1896; $242,000 in 1897; $262,000 in 1898; $282,000 in 1899 and in 1900; $424,000 in 1901; $407,000 in 1902; and in 1903 it would be $707,000. The two bridges in dispute would, he added, be paid for as a Federal work. For the year 1903, therefore, the total payment, including this and some other special items, would be $1,046,000, with an additional right to use or borrow $250,000. On Oct. 6th, the measure was discussed in the Senate and the Hon. Mr. Lougheed declared the sum voted still inadequate while the Hon. Mr. Watson pointed to the Dominion subsidy payments of 61 cents to Ontario, 66 cents to Quebec, 94 cents to Nova Scotia, $1.72 to British Columbia, $2.05 to Mani-

toba and $4.47 to the Territories. In another connection the subject was again debated in the Commons on Oct. 13th.

The Finances of British Columbia

Political changes and Labour troubles were not the only subjects of importance in the record of this Province during 1903. Its financial condition reached an acute stage before the end of the year and though the Hon. J. D. Prentice might be replaced as Treasurer by the Hon. R. G. Tatlow the monetary difficulties seemed to grow steadily greater. For the year ending June 30th, 1902, the revenue had been $1,807,925 as against $1,605,920 in 1901; and the expenditures $2,537,373 as compared with $2,287,821 in 1901. The deficit of $681,901 in 1900-1 had been succeeded by one of $729,448 in 1901-2. On Apl 8th, 1903, an official statement showed the receipts for the six months ending Dec. 31st, 1902, as $904,408 and the expenditures as $1,407,373. On June 30th, 1903, the Provincial balance sheet showed Assets of $4,002,188 and Liabilities of $12,542,086; of which latter $10,765,836 were loans payable in London. The deficit at this date between the revenue and expenditure for the fiscal year just ended was $1,510,820.

Under these circumstances it was not surprising that on Nov. 4th, following, all public works throughout the Province were stopped and for a time remained suspended. Appropriations had been exhausted and bankers had declined to increase existing overdrafts. On Nov. 9th, Mr. B. E. Walker told the Toronto *News* that so far as the action of the Canadian Bank of Commerce was concerned it had only been caused by a desire to awaken the public in British Columbia to a sense of its position and to the imperative necessity of general retrenchment and legislation along lines of rational and honest taxation. He hoped that Liberal journals in the Province would support the McBride Government in this connection. A special Session of the Legislature was called on Nov. 27th and, after a struggle, the Government's Assessment Bill and other measures were passed. The Assessment Act was expected to increase the revenue by $200,000 and was made retroactive as well as immediate in its operation. An amendment to the Land Act doubled the timber licenses; the assessment on railway companies' land was increased from $3,000 to $10,000 per mile; a Loan Bill authorized the Government to sell Provincial debentures to the extent of $1,000,000 bearing 5 per cent. interest and payable in ten annual instalments; licenses, fees and taxes of all kinds were increased substantially. The services of a number of members of the Civil Service were dispensed with and these and other drastic measures relieved the financial situation—no doubt permanently. Meanwhile, the estimated revenue for the year ending June 30th, 1904, had been announced as $2,193,476 and the expenditures as $2,491,566 with an expected deficit of $298,090.

XIV.—CANADIAN EDUCATIONAL AFFAIRS.

Canadian Educational Interests and the Empire

An incident of importance in this connection was the defeat in the Quebec Legislature on Apl 15th of a measure giving Provincial effect to Dr. Roddick's medical legislation of the preceding Federal Session. It dealt with reciprocity in medical matters between the different Provinces and extended something of the same kind to other parts of the Empire. Its defeat in Quebec shelved the subject indefinitely. Canadians felt great interest in the Rhodes' bequest to Oxford and, during the year, Dr. George R. Parkin, C.M.G., was active in effecting the varied and complex arrangements necessary for its operation. Speaking to the Montreal *Star* on Jan. 2nd, Dr. Peterson, C.M.G., of McGill University, repeated certain suggestions which he had recently made in England to the Trustees of the Scholarship Fund * and expressed his strong belief as to the good results which would eventually accrue to Canada under its terms. He believed thoroughly in a grounding in Arts and, while many Canadian students might be and were experts in various special studies when they left the Universities, "they lacked, for the most part, that finish and culture which one naturally looks for in a man who has the advantage of a University training."

During the year Dr. Parkin visited the educational centres of the United States, in this connection, from the South to the North and from New York to San Francisco. He also toured South Africa and Australasia as well as Canada. To the Toronto *Mail* of Feb. 9th, he expressed the belief that Oxford would eventually be transformed into a great international English-speaking University. He was banqueted on the same evening at the National Club as a tribute to his services rendered to education when Principal of Upper Canada College. Following this, Montreal, Winnipeg, Regina, Vancouver, Victoria and other points in Canada were visited by Dr. Parkin, and conferences held with the leading educationalists. He had been in the Maritime Provinces earlier in the year. Under date of May 29th, he sent out to the press from London copies of a Memorandum prepared by the Trustees and giving details for those who wished, and were entitled to try, for a Rhodes' Scholarship. The first selection in Canada would be early in 1904 and residence would be commenced in the following October. Particulars as to qualifications were given and also the following clause: "It has been decided that all scholars shall have reached at least the end of their sophomore or second-year work at some recognized degree-granting University or College of Canada. Scholars must be unmarried,

* Note—The Trustees were Lord Rosebery, Earl Grey, Lord Milner, Mr. Alfred Beit, Dr. L. S. Jameson, C.B., Mr. Louis Lloyd Mitchell, Mr. B. F. Hawksley.

must be British citizens and must be between nineteen and twenty-five years of age."

In the case of Ontario, Quebec, Nova Scotia and New Brunswick nominations were to be made by the following institutions in rotation: Toronto University 1904, Queen's 1905; McGill 1904, Laval 1905; Dalhousie 1904, Acadia 1905; University of New Brunswick 1904, Mount Allison 1905. In Prince Edward Island and British Columbia the nominations were to be in the hands of the Lieut.-Governor, the Chief Justice and the Chief Superintendent of Education as a Committee; in Manitoba they were to be made by a Committee to be named by the University of Manitoba; and in the Territories by a Committee to be named by the Lieut.-Governor and Judges of the Supreme Court.

An important incident in respect to the educational affairs of the Empire was the Allied Colonial Universities' Conference held in London on July 9th under the auspices of a General Committee which included most of the Governors and former Governors of British countries, the Premiers of many of the Provinces and many of the Colonies and the heads of the chief Colonial Universities. Sir Gilbert Parker, M.P., was one of the chief promoters and Mr. C. Kinloch Cooke, B.A., Editor of the *Empire Review,* was the active Hon. Secretary of the Committee. Amongst those present and speaking at the Conference, or at the Dinner on July 10th, were the Rt. Hon. A. J. Balfour, M.P., the Rt. Hon. James Bryce, Sir William Huggins, P.R.S., the Rev. Dr. F. H. Chase of Cambridge, Lord Kelvin, Sir Henry Roscoe and Sir Arthur Rucker of the University of London, Sir Oliver Lodge, Principal of the University of Birmingham, Mr. T. Herbert Warren, President of Magdalen College, Oxford, the Rev. Dr. J. P. Mahaffy of Trinity College, Dublin, Dr. Alfred Hopkinson, K.C., of Victoria University, Manchester, Sir William Ramsay, K.C.B., F.R.S., Sir Dyce Duckworth of the Uuiversity of Edinburgh, the Rt. Hon. R. B. Haldane, M.P., and the Rev. Dr. H. M. Butler of Cambridge.

The Canadians who shared in the speech-making were Lord Strathcona, Dr. Peterson, C.M.G., of McGill, Dr. R. A. Reeve, Dean of the Medical Faculty, Toronto, Sir Gilbert Parker, M.P., Dr. John Watson of Queen's, the Rev. Dr. J. P. Whitney of Lennoxville, Dr. Thomas Harrison, Chancellor of the University of New Brunswick, and Mr. T. Chase Casgrain, K.C., M.P., Vice-Chancellor of Laval University. The Hon. Sir John Buchanan of the Cape of Good Hope University and Messrs. T. T. Gurney, M.A., Richard Threlfall, F.R.S., of the University of Sydney, Australia, and Mr. H. Dean Bamford, LL.D., of the University of New Zealand, spoke for their respective countries. Much was said of interest * and a representative Committee was appointed to form a permanent Council to carry out the terms of the following Resolution:

* NOTE—For a full report of the speeches see the *Empire Review* of August, 1903.

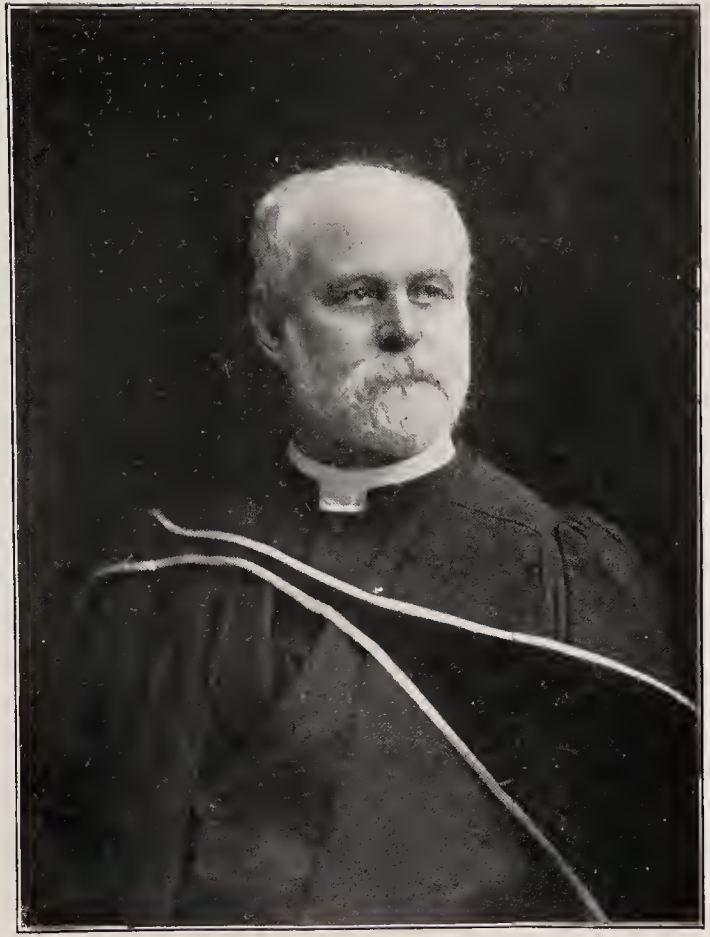
That in the opinion of this Conference it is desirable that such relations should be established between the principal teaching Universities of the Empire as will secure that special or local advantages for study and, in particular, for post-graduate study and research, be made as accessible as possible to students from all parts of the King's Dominions.

Popular Education in Ontario

The first incident of the year in connection with public education in this Province was the waiting of a deputation upon the Minister of Education—composed of the Rev. Canon Welch, Mr. F. E. Hodgins, K.C., Mr. Lawrence Baldwin and others—in the interest of voluntary schools. Mr. Baldwin presented the following Resolution of the local Church of England Synod as covering the requirements they deemed desirable and it was stated that the supporters of these schools would provide the buildings and pay the teachers. The Resolution was as follows:

(1) Freedom and facility for every child to be taught the religion of its parents or that which the parents desire it to be taught. (2) Actual average cost of the secular education of every child in every public elementary school to be defrayed out of public funds. (3) Voluntary schools equipped as public schools to be affiliated and recognized as an integral part of our public school system. (4) Religious instruction to be imparted to every public school during the first half-hour of each day, such religious instruction to be non-denominational in all common schools, and the managers of voluntary public schools to be free to provide whatever religious instruction they may desire in the schools under their control, a proper conscience clause to be applicable in all cases.

The Hon. Mr. Harcourt replied and stated that any such proposal would have to be very gravely considered. He was not convinced as to its propriety or necessity. Early in the year the Minister prepared a series of radical changes in the regulations and summarized his proposals in the *News* of Apl 7th as follows: "It is the aim of the Department to do away with the examination bogey and the automatic cast-iron character of the present system as far as possible. To local Boards of Education will be given much wider discretionary powers in moulding their courses of study and in conducting examinations to suit the needs of the locality. They will have charge of the granting of commercial diplomas and, to a large extent, will regulate their individual courses in this department as well as in the departments of household science, manual training and technical education." On Apl 14th-16th the Ontario Educational Association met in Toronto with Dr. John Seath in the chair. He urged a number of educational reforms in his inaugural address including (1) an adjustment of the Continuation classes to a proper place in the School system; (2) the union of School Boards in each locality; (3) the establishment of more school libraries and the placing of them under the control of the School Boards; (4) the harmonizing of the scheme of subjects in the High Schools with the pass standard for matriculation; (5) improvement of qualifications in the teachers with better salaries and more recognition in



THE VERY REV. DR. DANIEL M. GORDON

Principal of Queen's University, Kingston.

THE HON. JOSEPH DUBUC

The new Chief Justice of the Supreme Court of Manitoba.

the management of Educational affairs. On Apl 15th the Very Rev. Dr. D. M. Gordon of Queen's University, spoke on the Teacher's profession and the Minister of Education dealt at length with his proposed reforms.

He referred to his attempt to correlate new studies such as manual training, domestic science and nature study with the other subjects in the school programme; summarized his view that examinations which have qualifying values are necessary while those dealing with the principle of competition are not only unnecessary but harmful; stated that in the matter of text-books responsibility was being largely transferred from his Department to the Educational Council (in which he proposed to increase the teachers' representation) and that in future no text-book would be considered for authorization until it had been published and circulated for at least six months; and intimated his strong desire for the advice and aid of the Association in the proposed new regulations.

The Public School section of the Association passed a number of Resolutions in favour of, amongst other matters, a Model School term of 8 months; a reduction in the number of Model Schools and proportionate increase in individual grants; an incorporated organization of Provincial teachers for mutual protection and advancement; a Provincial system of superannuation controlled by the teaching body and aided by the Government; elimination of Latin as a compulsory subject for Junior and Senior Leaving certificates; a basis for Legislative grants depending upon buildings and equipment, average attendance, amount of salary and qualification of teacher; the preparation of a new text-book in History.

The Association elected Mr. David Young of Guelph as President for 1903 and Mr. R. W. Doan of Toronto as General Secretary. On Oct. 24th, the Educational Council for the Province was announced for the ensuing year as follows: Chancellor Burwash of Victoria University, Principal Loudon of Toronto, Chancellor Wallace of McMaster, Principal Hutton of University College, Prof. Alfred Baker and Prof. A. B. Macallum of Toronto, Prof. A. P. Knight of Queen's, Rev. Dr. J. R. Teefy of St. Michael's College, Prof. William Clark of Trinity, and Messrs. R. H. Cowley, B.A., of Carleton Place, F. C. Colbeck of Toronto Junction and David Young of Guelph. The annual Report of the Education Department for 1903 gave the statistics of the Province for the year ending Dec. 31st, 1902, and the following table is a summary of these elaborate data:

I. Elementary Schools.

Number of Public Schools	5,671
Enrolled Pupils of all ages	408,124
Average daily attendance	232,663
Number of male teachers employed	2,200
Average annual salary	$436

Number of Female teachers employed	6,297
Average annual salary	$313
Number of teachers who attended Normal School	4,601
Expenditure on Public School-Houses	$331,842
Expenditure on Teachers' Salaries	$2,987,933
Expenditure for all other purposes	$1,069,944
Number of Roman Catholic Separate Schools	391
Enrolled pupils of all ages	45,964
Average daily attendance	28,817
Number of teachers	870
Amount expended for School-Houses	$100,910
Expenditure on Teachers' Salaries	$210,199
Expenditure for all other purposes	$124,331
Number of Kindergartens	120
Pupils enrolled	11,300
Average daily attendance	44,599
Number of Teachers engaged	247
Number of Night Schools	11
Number of Pupils enrolled	670

II. Secondary Schools.

Number of High Schools, including 40 Collegiate Institutes	134
Number of Teachers employed	593
Number of pupils enrolled	24,472
Expenditure for Teachers' salaries	$547,402
Expenditure in School-Houses	$44,246
Expenditures for all other purposes	$178,031

The number of Continuation classes, practically doing High School Work, but included in the Public School figures, was 480 with an attendance of 4,864. There were six Protestant Separate Schools in the Province with 466 pupils. During 1902 there had been a decrease in Public School pupils of 6,495 and a decrease in the male teachers of 153 with an increase in the female teachers of 247. The Public School population of Ontario was stated at 584,512 and the total number of pupils actually registered at 454,088, with an average daily attendance of 261,480. There were 9,367 Public School teachers employed of whom 608 had 1st class certificates, 4,296 2nd class, and 3,432 3rd class. The holders of other certificates numbered 1,031. The average salary of male teachers in cities was $935 and in counties $372; of female teachers it was, respectively, $479 and $271. The total Provincial receipts for educational purposes from Legislative grants, municipal grants and assessments and other sources, was $5,766,502, the total expenditures $4,825,160 and the cost per pupil $10.63.

Public Instruction in Quebec

Owing to Education in Quebec being under the control of a Council of Public Instruction which is divided into Roman Catholic and Protestant Committees, with exclusive jurisdiction over their respective schools, a curious issue arose early in the year as to the position of the Jews. A decision rendered by Mr. Justice Davidson placed the children of this race outside of either branch of

these Christian divisions and, therefore, with no right to any public education in the Province. The final result was an agreement between Jewish representatives and the Protestant Committee for the children to come in under the latter's educational wing and a request to the Government by a large deputation of Protestants and Jews on Mch 5th for legislation authorizing this arrangement. The Very Rev. Dean Evans, Mayor Cochrane of Montreal, Mr. W. A. Weir, M.P.P., the Rev. Dr. W. I. Shaw, the Rev. Dr. Barclay, Rabbi M. de Sola and other prominent men were present and it was pointed out that the Protestant Committee now educated 1,300 Jewish children in Montreal and they were willing on purely patriotic grounds to take the responsibility of the whole. Mr. Premier Parent promised consideration and later in the Session a measure was passed carrying out the terms of the request.

Objection was afterwards raised to certain regulations of the Protestant Committee which granted privileges and exemptions of a religious character to these Jewish children and a formal protest signed by the Rev. Dr. J. Edgar Hill, the Rev. Canon J. H. Dixon and others was published in May. At a meeting of the Committee, on Apl 8th, the Rev. Dr. Barclay took occasion to say that the Protestant schools of Montreal had insufficient accommodation, congested classes and teachers with shamefully inadequate salaries.

In the Legislature on Mch 26th, Mr. W. A. Weir raised the whole question of this Committee's constitution and work and presented a measure which was afterwards withdrawn. He declared the existing body to be non-representative of the Protestant population; to be inefficient in its management of rural schools because the members were ignorant of their needs and were themselves chiefly interested in higher or city education; to have been guilty of mismanagement in relation to text-books and careless in the appointment of rural teachers; to have unfairly apportioned the public grants to the loss of the elementary schools.

Mr. Weir's contentions were supported by the Quebec *Chronicle* and vigorously criticized in the press by the Rev. Dr. E. I. Rexford, Principal Peterson of McGill and Principal S. P. Robins of the Montreal Normal School. In the *Witness* of Apl 6th Dr. Rexford pointed out, at length, the policy of the Protestant Committee, the reforms they had effected, the difficulties faced and the conditions surrounding their apportionment of the funds. At the annual meeting of the Protestant teachers of the Province on Oct. 17th, the President, Rev. E. M. Taylor, defended the rural schools by pointing out that a large percentage of the most successful pupils in the academies came from these elementary schools while the pupils at the June examinations rarely failed in passing the tests. The following table affords a general view of educational conditions in the Province:

I. Roman Catholic Elementary Schools.

1901-2.

Schools under control of Commissioners or Trustees	4,354
Independent Schools	45
Total number of pupils	175,273
Roman Catholic pupils	174,598
Protestant pupils	675
Average attendance	120,434
Male lay teachers with diplomas	15
Male lay teachers without diplomas	5
Female lay teachers with diplomas	3,842
Female lay teachers without diplomas	609
Number of male teachers in Orders	82
Number of Nuns teaching	399
Average salary of female lay teachers without diplomas	
1. In towns	$400
2. In the country	$213

II. Protestant Elementary Schools.

Schools under control of Commissioners or Trustees	895
Independent Schools	4
Protestant pupils	25,302
Roman Catholic pupils	2,391
Average attendance	19,571
Number of male lay teachers	23
Female lay teachers with diplomas	940
Female lay teachers without diplomas	145
Average salary of male teachers with diplomas	
1. In towns	$1,202
2. In the country	$515
Average salary of female lay teachers with diplomas	
1. In the towns	$367
2. Average salary in country	$135

III. Roman Catholic Model Schools and Academies.

Model Schools under control of Commissioners or Trustees	364
Independent Model Schools	159
Number of pupils in Model Schools	78,700
Average attendance	63,581
Academies under control of Commissioners	35
Independent Academies	101
Number of pupils in Academies	30,596
Average attendance	26,156
Male lay teachers with diplomas	218
1. Average salary in towns	$588
2. Average salary in country	$328
Female lay teachers with diplomas	391
1. Average salary in towns	$160
2. Average salary in country	$135
Male lay teachers without diplomas	20
Female lay teachers without diplomas	115
Male religious teachers	796
Female religious teachers	2,393

IV. Protestant Model Schools and Academies.

Model Schools under Commissioners	45
Number of pupils in Model Schools	3,402
Average attendance	2,528
Total number of Academies	30
Number of pupils in Academies	5,624

Average attendance	4,654
Male lay teachers with diplomas	63
1. Average salary in towns	$1,137
2. Average salary in country	$601
Female lay teachers with diplomas	236
1. Average salary in towns	$396
2. Average salary in country	$246
Male lay teachers without diplomas	9
Female lay teachers without diplomas	13

V. Roman Catholic Classical Colleges.

Number of Colleges	19
Pupils in Commercial course	2,534
Pupils in Classical Course	3,742
Average attendance	5,698
Number of lay Professors	31
Number of religious Professors	531

The total number of Schools of all kinds in the Province—including 4 Universities—was 6,078. The male teachers numbered 2,316, the female teachers 9,202, the pupils 333,431 of whom 167,082 were boys and 166,349 girls, and the average attendance was 247,644. According to the Report of Mr. P. Boucher de la Bruère, Superintendent of Public Instruction, dated Feb. 12th, 1903, a difficult position was developing in the matter of Protestant education. "Last year in 45 Protestant schools the average attendance was less than five pupils and in 110 others from six to ten pupils." The migration from the Province, or concentration in large centres, was the cause of this trouble. In this connection he eulogized Sir William Macdonald's contributions toward rural school concentration.

He recommended (1) the establishment of new Normal Schools for the Catholics; (2) the establishment of Technical schools; (3) the increase of the grant in the Public Schools; (4) a more thorough inspection of the schools; (5) the free distribution in primary schools of a map of Canada and of a synoptical table of its history. As to the cost of Education the total was $3,287,976 of which $1,394,635 came from annual municipal taxes, $161,495 from special municipal taxes and $215,376 from monthly municipal contributions; $160,393 from the Government for Public Schools, $55,646 for Superior education and $20,827 for poor municipalities. The value of school-houses, furniture, etc., was stated at $15,240,916 and of taxable real estate at $322,479,773.

Popular Education in the Maritime Provinces

The Report of Dr. A. H. Mackay, Superintendent of Education in Nova Scotia, for the year ending July 31st, 1903, showed an increase of two in the number of teachers, a decrease of 291 in the number of pupils, an increase of 24 in the number of rural sections without schools, the existence of 300 schools with an average attendance of only eight, a slight increase in the number of trained teachers and in the salaries paid, a decided increase in the number of pupils taking manual training, domestic

science and needle work, and an increase in the number of school gardens. The following table gives the chief statistics of the year:

School Sections in the Province	1,845
Sections without Schools	179
Schools in operation	2,395
Total number of Teachers	2,494
Normal-trained Teachers	1,077
Total Male Teachers	441
Total Female Teachers	2,053
New Teachers	345
Total number of pupils enrolled	98,768
Average daily attendance	55,213
Pupils in Common School grades	91,687
Pupils in High School grades	7,086
Value of Property in Sections	$90,601,016
School Property in Sections	$1,801,276
Number voting at annual meetings	552,350
Expenditure upon Buildings, etc.	67,540
Volumes in School libraries	16,648
Total Provincial aid to Education	$263,092
Municipal Educational Funds	$121,015
School Section Assessments	$552,350

Average annual salary of Male Teachers—
Class A, $809.04; Class B, $438.36; Class C, $253.08; Class D, $188.44.
Average annual salary of Female Teachers—
Class A, $456.77; Class B, $292.81; Class C, $230.28; Class D, $166.81.

The Superintendent dealt at length with the question of teachers' salaries and the indifference of the public in the matter. The same subject was treated by Dr. J. R. Inch, Provincial Superintendent, in his Report for New Brunswick, covering the year ending June 30th, 1902, and submitted on Mch 15th, 1903. He declared a radical change to be necessary in the school system and advised the abolition of the existing plan of small districts with the substitution of parish boundaries and a School Board for each new district, of seven persons or more, appointed in part by the Government and in part by the Counties. The duties would be analogous to those of City Boards so far as the conditions were similar and the methods of assessment defining the number of schools and settling teaching qualifications would be very much the same. From this plan he would expect to obtain better Trustees and teachers, the consolidation of rural schools, better privileges for isolated sections, more equal distribution of taxes, and a higher standard of management and conduct in the School Boards. The statistics of the Schools were as follows:

Particulars	1st Term 1901	2nd Term 1902
Number of Schools	1,795	1,736
Number of Teachers	1,869	1,825
Number of Pupils	58,575	60,477
Proportion of Population at School	1 in 5·65	1 in 5·47
Number of Boys	28,906	30,767
Number of Girls	29,669	29,710
Average attendance	38,571	38,736

The total expenditure in 1901-2 for the maintenance of Grammar, Superior and Common Schools was $595,797, of which district assessments gave $341,475, county funds $92,095 and Provincial grants $162,227. There were 51 Superior Schools and 13 Grammar Schools in operation. In Prince Edward Island Dr. Alexander Anderson, Chief Superintendent of Education, reported for the year 1902 that substantial improvement had been effected in many directions though he still had to regret that over one-third of the children within school years were either rarely at school or else entirely absent. An increase in teachers' salaries was notable because upon this rested the whole question of advancement. "Salaries, which, instead of attracting, repel young people from entering the profession, and offer no inducement to teachers to remain in it, must be thoroughly revised. Those who become teachers, do so generally for their own convenience, and in one, two, or three years, abandon the occupation. Hence many schools have had as teachers a succession of young people, who neither understand their duty, nor the necessity of attempting to understand it. I do not believe that there can possibly exist a condition of things more fatal to success in teaching." The statistics of the Schools were as follows:

Number of School Districts	474
Number of Schools	474
Number of School Departments	591
Vacant Schools	3
Number of Teachers employed	588
Class I. 161; Class II. 299; Class III. 128.	
Male Teachers employed	293
Female Teachers employed	295
Number of Pupils enrolled	20,803
Average attendance	12,884
Proportion of Population at School	1 in 5
Government Expenditure on Education	$127,494
Statutory Allowance to Teachers	$113,386
Payments to Teachers by Trustees	9,038

Popular Education in Manitoba

Perhaps the most prominent incident in connection with Education in this Province during 1903 was an effort to revive the Separate School question of historic and political fame. On Jan. 20th Archbishop Bruchési arrived in Montreal upon his return from a visit to Rome and, in the course of an address in St. James Cathedral, he referred to his interviews with the Pope and continued: "He had gathered from His Holiness's conversation that he is still fully impressed with the importance of the Manitoba School question, which, like the Bishops here, he does not consider as settled." The attention of the Premier of Manitoba was drawn to this speech by the Toronto *Star* on Jan. 30th, and he stated succinctly that: "As far as the Government of Manitoba is concerned the question is closed. Under no consideration will it be re-opened."

It was brought up in the Quebec bye-election in Two Mountains and, on Feb. 11th, the Hon. Mr. Prefontaine was reported as saying that: "Neither party can touch it. The Catholics of Manitoba have not obtained all their rights but they are satisfied. From the point of view of the Bishops it may not be settled but from the political point of view it is settled beyond recall." At Owen Sound, on Feb. 20th, the Hon. Mr. Fielding declared that if Sir Wilfrid Laurier had done nothing else but settle this question "he deserved the eternal gratitude of the people of Canada." Some discussion took place in Winnipeg during the year as to amalgamation of the Public Schools and the Catholic Schools—the latter of which were supported by funds from ratepayers already taxed for the other schools. On Mch. 30th, an informal application was made by the Catholic Committee but was met in June by terms from the Public School Board which rendered action impossible. A deputation of Catholic ratepayers to the Hon. Mr. Roblin, on June 27th, were also told that the matter was closed unless they wished to appeal to Ottawa. This was done by two delegates but no result was publicly announced. The subject was debated in the Senate on Sept. 3rd. The statistics of the Schools for 1902 were as follows:

School Population	64,629
Number of Pupils registered	54,056
Average attendance	28,306
Total number of Teachers employed	1,849
I. Male 629; II. Female 1,220.	
1st Class 269; 2nd Class 903; 3rd Class 444; Interim Certificates 189.	
Total number of Teachers receiving Certificates	1,084
Number of Normal Schools	21
Total number of Students	320
Legislative grant to Education	$220,953
Municipal School taxes	$611,312
Teachers' salaries paid	$625,829
Other Educational expenditures	$829,222
Number of School Districts in operation	1,488
Number of School-Houses	1,127
Value of School-Houses, furniture, etc.	$1,890,455
Average Salary of Teachers	$474
1. Urban average	$570
2. Rural average	$442
Number of untrained Teachers	177
Number of Schools giving Temperance instruction	700
Schools giving moral instruction	951
Schools teaching the Ten Commandments	254
Schools using the Bible	186

In the Territories and British Columbia

The Department of Education for the North-West Territories presented its Report to the Legislature on Apl 15th, 1903, for the year ending Dec. 31st, 1902. There were 119 new school districts organized as compared with 83 in 1901, 49 in 1900, 51 in 1899, 22 in 1898, 21 in 1897 and 40 in 1896. The actual number of new schools opened numbered 76 and the total number in operation was 640. The number of pupils enrolled during the

year was 27,441 or an increase of 3,604. The average attendance showed an increase of 1,798. The head of the Department since 1901 was Mr. F. W. G. Haultain, the Premier, assisted by Mr. J. A. Calder B.A., as Deputy Minister and by an Advisory Board of educationalists.

In British Columbia the total number of pupils in its three grades of schools in the year ending June 30th, 1902, was 23,903 of whom 12,254 were boys and 11,649 girls. The average daily attendance was 15,564. There were 335 schools in operation—an increase of 17—including 7 High Schools with 21 teachers; 63 Graded Schools with 284 teachers and 265 Common Schools. The total number of teachers employed was 570. The salaries of teachers totalled $216,125 and the total cost of Education to the Provincial Government was $438,086. In addition to this the municipalities contributed $150,481. The cost of each enrolled pupil was $15.29 and of each one on average daily attendance it was $23.48. The school districts numbered 257.

I.—MISCELLANEOUS EDUCATIONAL INCIDENTS.

Jan. 6.—At a meeting of the Mainland Teachers' Institute at New Westminster, B.C., Inspector A. C. Stewart states that owing to poor salaries 50 per cent. of the rural school teachers have changed in the past six months.

Mch. 12.—The Public School Board of Victoria, B.C., decides that in the interest of tactful discipline and the cultivation of strength and character in the boys there must be more male teachers in the schools.

Apl. 7.—A meeting of 200 teachers in Montreal passes a Resolution urging a minimum salary of $400 and deploring the existing small sums paid to teachers.

Apl. 25.—The Quebec Legislature incorporates a Royal School of Agriculture for the Province with the right to maintain branch schools and experimental farms.

May 13.—Correspondence is published in the press dealing with the much-discussed retirement of Dr. J. M. Harper from the position of Inspector of Protestant Superior Schools in the Province of Quebec.

June 8.—The free school book system comes into operation in the Province of Manitoba.

June 12.—Dr. Roddick, M.P., Dean of the Medical Faculty, McGill University, refers to the fact that the Legislatures of Nova Scotia, Prince Edward Island, Manitoba and the Territories have passed the necessary concurrent Acts approving of his recent measure at Ottawa regarding the establishment of a Dominion Medical Council. Despite the repudiation by Quebec he believes that it will eventually be put in operation for the Provinces accepting it.

Aug. 8.—The Provincial Education Association, meeting at Truro, N.S., passes a strong Resolution deprecating the present low salaries paid to teachers as certain to prove a serious danger to Education in general.

Nov. 2.—Mr. Wellington Dixon, B.A., is appointed Principal and Rector of the Montreal High School in succession to the Rev. Mr. Rexford.

Dec. 22.—A Provincial Teachers' Association if formed at Moncton, N.B., with the object of raising the level of the profession and obtaining better rates of remuneration.

II.—INCIDENTS IN HIGHER EDUCATION.

McGILL UNIVERSITY.

Feb. 2.—Principal Peterson is given the honorary degree of LL.D. by the University of Pennsylvania.

Mch. 4.—At a meeting of McGill graduates in Montreal it is decided to celebrate the 75th anniversary of the commencement of lectures at the University (1904) by the formation of a Students' Union and the erection of a building for their use. It is stated that $10,000 has been already subscribed.

Mch. 21.—Dr. Duncan McNab McEachran, Dean of the Faculty of Comparative Medicine, resigns his position.

Mch. 26.—The undergraduates present elaborate addresses to Dr. Alex. Johnson, Vice-President of the University and Dean of the Faculty of Arts; Dr. J. Clark Murray, Professor of Logic and Dr. John Frothingham, Professor of Mental Philosophy, upon their retirement and superannuation.

Apl. 5.—Prof. H. S. Capper decides to resign the Chair of Architecture to accept a similar position in the University of Manchester, England.

Apl. 30.—Sir W. C. Macdonald is announced to have endowed a chair of Moral Philosophy with $50,000.

May 1.—Many tributes are paid at the Convocation ceremonies to Dr. Johnson and Dr. Clark Murray. The honorary degree of LL.D. is granted Dr. George R. Parkin, C.M.G., Sir Alexander C. Mackenzie, MUS.D., and Prof. Charles E. Moyse.

June 19.—Prof. C. E. Moyse, M.A., LL.D., is appointed Dean of the Faculty of Arts and Vice-President of the University; Prof. John MacNaughton, M.A., of Queen's University, Kingston, is appointed Professor of Classics; Prof. A. E. Taylor, M.A., of Owen's College, Manchester, Professor of Philosophy; and Prof. William Caldwell, M.A., D.SC., of the Northwestern University, Chicago, is given the new Chair of Moral Philosophy founded by Sir W. C. Macdonald.

Sept. 26.—The appointment is announced of Prof. Percy E. Nobbs, M.A., as Professor of Architecture.

Oct. 21.—The University Corporation decides to confer the degree of LL.D. upon Mr. Justice W. W. Lynch in recognition of his many public services.

Oct. 21.—It is announced by Prof. H. T. Bovey that the Institute of Civil Engineers of Great Britain has decided to accept McGill's degree in the Engineering courses as an equivalent of the examination qualifying for admission into the Institute as an Associate Member.

Oct. 21.—The annual Report of the University is adopted by the Corporation. The number of students in attendance is stated to be 40 in the Law Faculty; 345 in that of Arts; 328 in that of Applied Science; 387 in that of Medicine.

Nov. 21.—Following a prolonged discussion as to the status and position of McGill University in Ontario a Committee appointed by the Hon. Mr. Harcourt meets in Toronto to consider and report upon the subject. President Loudon, Chancellor Burwash, Chancellor Wallace, Principal Hutton and Prof. Knight of Queen's constitute the Committee and Principal Peterson and Dr. Moyse of McGill are also present.

Nov. 25.—In response to a request from the Imperial Chinese Railway Administration, Prof. Harrington of McGill selects Mr. O. E. Le Roy, M.SC., to act as Government Field Geologist in China.

UNIVERSITY OF TORONTO, TORONTO

Feb. 12.—The Rev. Dr. Carman and Rev. Dr. Potts, representing the Methodist Church and Victoria University, wait upon the Premier of Ontario and protest against any diversion of public funds to any University other than that of Toronto—which should be thoroughly equipped and liberally sustained.

Mch. 27.—The Alumni of the University in the State of California organize an Association at San Francisco with 22 members.

Apl. 1.—In the *University Monthly* and again on Nov. 1st, President Loudon pleads for one Provincial University and strongly deprecates Government aid to Queen's.

Apl. 2.—The appointment of Senator George A. Cox to the Board of Trustees is announced in succession to the late Senator Wood.

Apl. 25.—The Provincial grants to the University in the estimates of 1903 include $7,000 of a statutory sum, $2,014 from the sale of lands, $36,334 of a regular grant and $18,110 to meet the estimated deficit.

May 1.—Chancellor Burwash contributes an elaborate article to the *University Monthly*, denouncing any effort to build up a rival institution with public funds.

June 3.—A deputation from the University and affiliated institutions waits upon the Government and protests against any assumption of Government control and responsibility in connection with the Kingston School of Mines.

June 6.—The results of the annual examinations show four graduates as Doctors of Philosophy—Miss E. S. Baker, Miss C. C. Benson, Messrs. W. R. Carr and G. G. Nasmith.

June 7.—It is announced that the Alumni Association have completed their subscription of $50,000 for a new Convocation Hall and that Dr. and Mrs. Goldwin Smith have contributed $7,000.

June 10.—A debate takes place in the Legislature on the University question and the Premier states that in recent years the University of Toronto had created three new Departments costing $140,000 while, in his memory, its Faculty had grown from 16 to 70. Mr. Whitney declares that the State University should come first and be liberally treated.

June 11.—The Alumni Association receive a letter signed by the Hon. Messrs. Gibson and Harcourt pledging the Government to give $50,000 toward the cost of a Convocation Hall.

June 12.—At the annual Commencement the honorary degree of LL.D. is conferred upon Lieut.-Governor W. Mortimer Clark, Dr. Goldwin Smith, Dr. Daniel Coit Gilman of Washington, the Hon. J. M. Gibson, K.C., the Hon. Richard Harcourt, M.A., K.C., the Rev. J. Monro Gibson, Prof. J. J. Thomson, M.A., F.R.S., of Cambridge, Mr. Christopher Robinson, K.C., D.C.L., Dr James W. Robertson of Ottawa—the last three *in absentia*.

July 3.—By Order-in-Council Mr. W. S. Milner, M.A., is appointed Associate Professor in Ancient History and Mr. J. H. Cameron, M.A., Associate Professor in French.

July 12.—The annual Dinner of the Alumni Association is addressed by Lieut.-Governor Mortimer Clark, President Loudon, the Hon. J. M. Gibson, Dr. R. A. Reeve, Sir William R. Meredith, Dr. D. C. Gilman of Washington, and Dr. Goldwin Smith.

Oct. 1.—The official opening of the new Medical School Building of the University takes place. A remarkable address is delivered by Prof. Sherrington of Liverpool University and he is followed by representatives of Johns Hopkins, Yale, Harvard, McGill, Pennsylvania, Michigan, Chicago, Buffalo and Queen's Universities.

Oct. 1.—In the *University Monthly* Dr. J. C. McLennan describes President Loudon's Western tour in August and September as including Port Arthur, Winnipeg, Brandon, Regina, Calgary,

Edmonton, Macleod, Nelson, Vancouver, New Westminster, and Victoria. Six branch Alumni Associations were formed as a result of the visit.

Oct. 2.—In connection with the Medical opening the honorary degree of LL.D. is bestowed upon Prof. W. W. Keen, M.A., M.D., of the Jefferson Medical College, Philadelphia; Prof. William Osler, M.D., LL.D., F.R.S., of Johns Hopkins; Prof. R. H. Chittenden, PH.D., of Yale; Prof. C. S. Sherrington, M.A., M.D., F.R.S., of Liverpool; Prof. H. P. Bowditch, M.A., M.D., F.R.S. of Harvard.

Oct. 17.—The registration of students at University College for the Session is stated at 555; at the Medical College as 608; at the College of Pharmacy as 65.

Nov. 13.—The University Senate decides to accept for junior matriculation the intermediate grade certificate issued in British Columbia or the standard eight certificate of the North-West Territories when it covers the University prescription of subjects; and also the senior academic grade certificate of British Columbia or the standard eight certificate of the Territories for senior matriculation when these cover the University prescription of subjects; and certificates covering parts of these certificates will be accepted *pro tanto*. Partial affiliation will be granted to colleges and high schools of good standing in both British Columbia and the Territories.

Dec. 21.—Mr. W. T. White, B.A., General Manager of the National Trusts Company, addresses the Canadian Club on the duty of the Province towards the Provincial University.

QUEEN'S UNIVERSITY, KINGSTON.

Jan. 14—The new Principal of the University, the Very Rev. Daniel Minor Gordon, D.D., is given a cordial, popular welcome at Kingston; a formal welcome by the Chancellor, Sir Sandford Fleming, and Prof. N. F. Dupuis on behalf of the institution; and a civic welcome by Mr. Mayor Bell.

Jan. 29.—A Committee is formed in Kingston to promote the establishment of a School of Forestry in connection with the University with the Hon. W. Harty, M.P., as Chairman and including E. J. B. Pense, M.P.P., E. W. Rathbun of Deseronto, W. C. Caldwell, M.P., P. McLaren, M.P., and others

Feb. 9.—The 11th annual Conference of the Alumni of Queen's University meets at Kingston and is presided over by Sir Sandford Fleming. Principal Gordon delivers an address upon his ideals of University teaching and incidentally refers to the Department of Forestry which is being organized under pledge of aid from the Government.

Feb. 16.—Principal Gordon deals with existing questions in an interview at Kingston as follows: "We do not regard Queen's as a denominational college and, further, the School of Mining, to which the Government grant was extended, although affiliated with Queen's, is under the control of a separate Board of Directors, and cannot in the least degree be regarded as having any denominational connection whatever. Government assistance has already been promised to the School of Mining in connection with the Department of Forestry."

Apl. 25.—The Provincial estimates include a renewed annual vote of $23,500 to the School of Mining, Kingston.

Apl. 29.—At Convocation, Sir Sandford Fleming, Chancellor of the University, presides for the 23rd consecutive year. The honorary degree of LL.D. is conferred upon Prof. J. W. Robertson, M.A., of Ottawa; Prof. B. E. Fernow of Cornell University; and Mr. J. P. Thompson, F.R.G.S., Brisbane, Australia. That of D.D. is given the Rev. Archibald Duff, M.A., B.D., LL.D., Bradford,

England; the Rev. W. B. McLean, Blyth, Ont., and the Rev. D. W. Morrison, Ormstown, Que.

Apl. 29.—During the Convocation proceedings Principal Gordon delivers a notable address; the Rev. Dr. G. M. Milligan of Toronto is elected President of the Alumni Association; Registrar Chown states the number of students in attendance at the late Session (853) as the largest on record; and the School of Mining Report shows 132 students taking engineering courses.

May 21.—Principal Gordon, Prof. W. L. Goodwin, the Hon. W. Harty, M.P., and others discuss with members of the Government the question of the latter assuming control of the School of Mining at Kingston.

June 10.—Speaking in the Ontario Legislature Mr. E. J. B. Pense of Kingston states that there are now 322 students in the Science Department at Queen's; that the Mining degrees total 81—more than are given at either Toronto or Montreal; and that the entire educational grant to Queen's in 1903 was $28,350 as compared with $416,570 to Toronto.

June 13.—In the Presbyterian General Assembly, Mr. John McIntyre, K.C., of Kingston, congratulates the University upon its new Principal and the Assembly adopts a Resolution as follows: "As to the subject of Queen's University, that this Assembly deprecates the proposed severance of the connection between Queen's University and the Presbyterian Church in Canada, and recommends and will actively promote a movement for securing an adequate increase in the endowment of the University if it is decided to continue the connection at present existing; and that the Moderator be directed to appoint a Commission with Assembly powers to confer with the Trustees of the University, and adopt the proper means to secure the necessary financial aid for the purposes of the University, with the understanding that should it be found advisable for the Church to retain the University with guarantee of adequate maintenance, the Commission should refer the question to the Presbyteries of the three Central Synods before taking final action."

July 1.—The Principal's annual Report, as published in *Queen's Quarterly*, shows 853 students in attendance as compared with 805 in 1901-2 and 727 in 1900-1; sixty-six degrees to have been given in Arts, 17 in Practical Science, 48 in Medicine and 8 in Theology; a revenue of $53,887 and expenditures of $54,278 and a preceding deficit of $8,256.

July 22.—The Very Rev. Dr. Gordon, Principal of Queen's, is presented at Halifax, N.S., with an Address and gold watch by 300 friends in recognition of public services rendered and friendships personally won during his fifteen years' residence in that city.

Sept. 15.—The Commission suggested by the recent Presbyterian General Assembly meets at Kingston to discuss the relationship of the University and the Church, and to devise means of obtaining adequate financial support for the former's expanding needs. Amongst those present are Sir Sandford Fleming, Principal Gordon, the Rev. Dr. R. H. Warden, the Rev. Dr. Milligan, the Rev. Dr. D. H. Fletcher, Mr. J. Charlton, M.P., and Church or University representatives from Montreal, Toronto, Brockville, Ottawa, Renfrew, Peterborough, Guelph, Quebec, Hamilton, Winnipeg, St. Catharines, New York, Belleville, St. Thomas, Cornwall, and other places. The feeling is strongly in favour of retaining the Church and University connection.

Sept. 16.—After two days' consideration the Church and University Commission passes a Resolution (1) recognizing the growth of the University since its union with the Church, the great services it has rendered the country and the unsectarian character of

its influence; (2) affirming the desirability of continuing the connection between the University and the Church; (3) describing the University as a most important part of the educational system of the Province and deserving a liberal measure of public support; (4) stating that aid given should take the form of additional endowment yielding the annual sum of $20,000.

Sept. 23.—The Catholic *Freeman* of Kingston pays a marked editorial tribute to Queen's University: "It is certainly far better that the College should maintain its present connection than to have made of it a godless institution. It affords a broad and liberal education to all, irrespective of creed or nationality. Catholic students have on many occasions carried off the highest honours in medicine, arts and science. Catholic professors occupy high positions on its teaching staff, and to it Catholic financial aid has at all times been cheerfully given."

Oct. 14.—A three days' celebration in connection with the installation of Principal Gordon and the Jubilee of the Medical Faculty commences at Kingston, with addresses by Bishop Courtney, of Nova Scotia, Rev. Dr. W. I. Shaw of Montreal, Dr. W. B. Geikie of Toronto, Dr. W. L. Harriman of Lindsay and others.

Oct. 15.—A Special Convocation is held and the Honorary degree of D.D. conferred as follows: Rev. S. G. Bland, M.A., Rev. Dr. John Campbell, Rev. H. J. Cody, M.A., Rev. D. H. Fletcher, Rev. Malcolm MacGillivray, M.A., Rev. John Mackie, Rev. Dr. Thomas Trotter, Rev. J. K. Macmorine. That of LL.D. is given to Dr. David Allison of Sackville, N.B.; Mr. R. L. Borden, K.C., M.P.; Chancellor Burwash of Toronto; Dr. H. H. Chown of Winnipeg; Lieut.-Governor W. Mortimer Clark; Prof. John Cox, M.A., F.R.C.S., of McGill; Mr. J. E. Creighton, PH.D., of Ithaca, N.Y.; the Hon. W. S. Fielding, M.P.; Principal Galbraith of the Toronto School of Practical Science; Prof. Victor Goldschmidt of Heidelberg; the Hon. R. Harcourt, K.C., M.P.P., of Toronto; Senator Sir W. H. Hingston, M.D., of Montreal; Principal Hutton, M.A., of Toronto; Dr. E. J. James, President of Northwestern University, Chicago; Mr. H. P. Judson of Chicago University; Rev. Dr. G. M. Milligan of Toronto; Dr. V. H. Moore of Brockville; Prof. W. C. Murray, M.A., of Halifax; Principal Peterson of McGill; Rev. Oswald Rigby, M.A., of Toronto; Dr. T. G. Roddick, M.P., of Montreal; Hon. George W. Ross, M.P., and Mr. J. P. Whitney, K.C., M.P.P.; Chancellor Wallace of McMaster; Prof. H. L. Wilson of Johns Hopkins; Prof. R. Ramsay Wright of Toronto.

Oct. 16.—The new Building of the School of Mines is opened with the present from the Universities of McGill, Toronto and Heidelberg.

Oct. 16.—The new Physiological and Geological Building is formally opened with addresses by Dr. W. L. Goodwin, Mr. E. J. B. Pense, M.P.P., Principal Galbraith of Toronto and others.

Nov. 2.—The installation takes place of Dr. J. C. Connell, M.A., as Dean of the Medical Faculty; Prof. Alex. B. Nicholson in the Chair of Philology and Sanskrit; Prof. G. C. Campbell in the Chair of French; and Prof. Callendar, M.A. in that of Greek. It is announced that Mr. J. Charlton, M.P., will endow a Chair in the University if it retains its Church connections.

TRINITY UNIVERSITY, TORONTO.

May 28.—At the Medical Convocation the Provost, as Vice-Chancellor, announces that a complete legal union has been made between Trinity Medical College and the University of Toronto.

June 26.—The Rev. Professor Oswald Rigby, M.A., is banqueted at the University upon his retirement to take the post of Head Master of Trinity College School, Port Hope.

July 9.—Trinity Corporation meets and discusses the University Federation question with general agreement as to the Medical union and a decision to delay formal adoption of the terms until the graduates have met. The Rev. Mr. Langtry outlines an elaborate alternative scheme.

July 10.—A deputation composed of Mr. Provost Macklem and Dr. J. A. Worrell, President Loudon, Chancellor Burwash and Mr. B. E. Walker, waits upon the Premier and discusses with him an outline of the Trinity and Toronto Federation scheme.

July 26.—The Rev. Dr. Langtry presents a strong argumentative statement of the case against Federation to his congregation in Toronto.

July 30.—A hundred and fifty graduates and friends of Trinity meet and discuss the Federation question. The Bishop of Toronto presides, the matter is elaborately presented by the Provost and opposed by Dr. Langtry, Lieut.-Col. J. E. Halliwell of Sterling, Rev. W. E. Cooper of Toronto, Rev. T. W. Powell of Eglinton, Dr. S. H. Evans and the Rev. J. Pitt Lewis of Toronto. An adjournment to September is finally carried.

Aug. 13.—The Rev. Dr. John Langtry continues his vigorous campaign against Federation by writing the Toronto *Globe* concerning published statements that Trinity Medical students have been officially advised to transfer themselves to the Toronto Medical School. "The action, therefore, announced in your columns as having been taken by the Provost and his associates is a distinct breach of faith, and is most dishonourable. It looks like another attempt to force Confederation, by the exercise of autocratic power, upon the friends and graduates of Trinity University, whatever their judgments and conscientious convictions to the contrary may be." He follows this up with other letters in the press on Aug. 22nd.

Aug. 15.—Mr. Provost Street Macklem writes the *Mail and Empire* defending the action of the University Corporation regarding Federation; and to the *Globe* at greater length on Aug. 17th.

Aug. 20.—Under this date a careful statement of the reasons for, and advantages of, Federation is issued signed by the Provost, Dr. J. A. Worrell, K.C., and Mr. Edward Martin, K.C.

Sept. 5.—The Rev. Dr. Langtry writes the Bishop of Toronto denouncing Federation with vigour and quoting the Bishops of Niagara, Algoma, Huron and Ottawa as opposed to it.

Sept. 10.—Graduates and friends of Trinity to the number of 200 meet and discuss Federation. Letters are read from Mr. Christopher Robinson, K.C., and Archbishop Machray approving of it and the meeting finally does so also by 121 to 73.

Sept. 11.—At a meeting, not very largely attended, with Dr. Langtry in the chair, a League is formed to fight Federation.

Sept. 15.—Upon application of Mr. Frank Arnoldi, K.C., an interim injunction against the completion of the Federation agreement is granted by Mr. Justice Ferguson.

Sept. 21.—The supporters of Federation, including Provost Macklem, Prof. Clark and Dr. Goldwin Smith, file voluminous affidavits at Osgoode Hall against the continuance of the injunction.

Oct. 1.—Mr. Justice MacMahon dissolves the injunction restraining the signing of the proposed Federation agreement with Toronto University.

Oct. 9.—The Senate of Toronto University unanimously approve the Federation agreement with Trinity.

Oct. 20.—At Convocation 37 degrees are conferred on graduates, one of whom—Miss Eva J. Taylor—is the first woman to receive the degree of Mus.D. in Canada.

Nov. 17.—An Order-in-Council of the Ontario Government approves the federation of Trinity and Toronto Universities.

Dec. 5.—The Ontario *Gazette* proclaims the Federation of the two Universities to take effect on Oct. 1st, 1904. By its terms Trinity Colllege maintains its self-government, its teaching power and its Theological degree rights but will gradually cease to give instruction in certain subjects which will be transferred to the University of Toronto. It will have representation on the University Senate and Degrees in Arts will be conferred by the latter body. The Trinity Faculty of Medicine is amalgamated with that of Toronto.

OTHER ONTARIO UNIVERSITIES.

Apl. 3.—At the annual Commencement of Knox College, Toronto, Principal Caven states that during the past year there had been 25 students in 1st year theological work, 25 in the 2nd year and 30 in the graduating class—the largest they had ever had. A year ago in the Home Mission field the students had sent out 20 men and in the past year they had sent 30 men. The honorary degree of D.D. is given the Rev. A. B. Baird, B.D., of Manitoba College, the Rev. Alex. Gilray of Toronto, the Rev. A. V. Milligan, M.A., of Constantinople, the Rev. George Bryce, LL.D., of Winnipeg, and the Rev. William Patterson of Philadelphia.

Apl. 30.—The Rev. J. D. Robertson, M.A., D.SC., of North Berwick, Scotland, is appointed Professor of Apologetics and Homiletics in Knox College, Toronto.

May 5.—The annual Commencement at McMaster University, Toronto, includes a sermon by the Rev. Dr. A. T. Robertson of Louisville, Kentucky, and an address by President Harper of Chicago University, and conferment of the honorary degree of D.D. upon the Rev. J. T. Marshall, M.A., Principal of the Baptist College, Manchester. That of LL.D. is given the Rev. Godfroi Narcisse Masse, B.A., of the Grand Ligne Mission, Quebec, and Mr. D. E. Thomson, K.C., of Toronto.

May 21.—The annual Report of Victoria University shows 332 students enrolled in Theology and Arts and graduating classes of 70. The expenditures on current account have been $41,012—the largest in the history of the institution—but there is a balance to the good.

May 22.—At the Convocation of the Western University, London, six graduates are given the degree of B.A., one that of M.A. and 18 receive their M.D. There were altogether 185 students enrolled during the year.

June 14.—Mr. F. W. Grey, an author of repute, is appointed Professor of English in the University of Ottawa.

June 16.—At the annual Commencement of the University of Ottawa, the honorary degree of D.D. is given the Rev. Christopher Smith, O.M.I., of San Antoine, Texas, and that of LL.D. to Mr. James Cusack, of London, England, and Mr. Henry J. Morgan of Ottawa.

Sept. 1.—The University of Ottawa *Review* announces various changes in the Staff. The Rev. J. A. Lageunesse takes charge of the Arts course, the Rev. Dr. Lacoste becomes Professor of Dogma and the Rev. Father Herwig of Humfeld, Germany, becomes Professor of Philosophy.

Oct. 9.—Mr. John A. Paterson, K.C., succeeds the new Lieut.-Governor on the Senate of Knox College.

Oct. 9.—Chancellor Wallace at McMaster University Convocation describes that institution as embodying the religious idea which he believes should be incorporated in all education and for which object McMaster should sturdily maintain its independence.

Dec. 2.—The main building of the University of Ottawa is destroyed by fire involving some serious casualties, an estimated loss of

$500,000 and the valuable College Library. There is at least $150,000 insurance.

ONTARIO COLLEGES.

Feb. 5.—Dr. James Mills, President of the Guelph Agricultural College, states that Sir William Macdonald has given a total amount of $175,000 to that institution.

Feb. 20.—Mr. Henry W. Auden, B.A. the new Principal of Upper Canada College, arrives in Toronto to assume his duties.

May 11.—The Rev. Oswald Rigby, Dean of Trinity University, is appointed to succeed the Right Dr. Herbert Symonds as Head Master of Trinity College School, Port Hope.

May 12.—Miss Mabel Cartwright is appointed to succeed Mrs. Rigby as Lady Principal of St. Hilda's College.

June 16.—On this and the succeeding day St. Michael's College, Toronto, celebrates its Golden Jubilee. Mgr. Sbarretti, Papal Delegate, Archbishops O'Connor, Gauthier, and Duhamel and many Bishops and prominent Catholics from different parts of Canada and the United States participate.

June 19.—The Massey Hall and Library of the Ontario Agricultural College at Guelph is formally opened by Mr. Chester D. Massey.

June 20.—The Rev. Dr. William I. Shaw, who three years before resigned the position on account of ill-health, accepts the Principalship of the Wesleyan Theological College, Montreal.

June 20.—The Rev. Dr. J. R. Teefy, Principal of St. Michael's College, celebrates his 25th anniversary as teacher, or chief, in that institution.

June 22.—Prof. W. P. Stockley of the University of Ottawa is appointed Principal of the new St. Mary's College at Halifax.

Oct. 14.—Prize Day at Upper Canada College is notable as being the occasion for Principal Auden's first official deliverance. He deprecates the haste of Canadian youth to leave school and places the average number in Great Britain leaving school before 20 at from 15 to 18 in 1,000 and in Canada at 25 in 1,000. The average school life in Germany is 8 years; in Canada 4 years.

Oct. 25.—Bishop Ridley College, St. Catharines, is burned down with an estimated loss of $22,000 over and above insurance.

QUEBEC UNIVERSITIES AND COLLEGES.

June 5.—The Stanstead Wesleyan College Report shows lands and buildings worth $72,000, endowments of $32,400, liabilities of $5,500 and 235 students in attendance.

June 18.—The Jubilee Convocation of the University of Bishop's College, Lennoxville, is marked by the conferment of the honorary degree of D.C.L. upon H. E. the Earl of Minto, Bishop Mills of Ontario, the Rev. Provost Macklem, the Hon. H. T. Duffy, M.P.P., the Hon. A. Robitaille, M.P.P., Prof. Frank D. Adams of McGill, Mr. Justice Langelier, the Rev. Canon Vroom, D.D. of Windsor, N.S., the Rev. L. N. Tucker of Toronto, Prof. J. T. Donald, M.A., Senator G. B. Baker, M.A., K.C., Mr. Richard White of Montreal. The annual Report shows 20 Divinity students and 65 Medical students in attendance.

July 2.—The Rev. Elson I. Rexford, B.A., Principal of the High School, Montreal, accepts the Principalship of the Diocesan Theological College in succession to the Rev. Dr. Hackett who resigns to take another position in England.

Oct. 4.—Rev. Dr. George C. Workman is appointed Professor of Old Testament Exegesis and Literature in the Wesleyan Theological College, Montreal.

Nov. 21.—The Board of Governors of Laval University appoints Sir Thomas Shaughnessy and Mr. Justice C. Doherty as Members of the Board.

UNIVERSITIES OF THE MARITIME PROVINCES.

Jan. 21.—A Tablet is unveiled in the Chapel of the University of Mount Allison, Sackville, in memory of Lieut. Harold Lathrop Borden, B.A., who fell in the South African War.

Apl. 28.—The annual Convocation of Dalhousie University, Halifax, is marked by the conferment of the degree of B.A. upon 23 graduates, that of M.A. upon six, M.Sc. upon one. M.D. upon 20 and LL.M. upon six. The Rev. Allan Pollok, D.D., is made an honorary LL.D.

May 4.—The Rev. W. G. Watson, B.A., is appointed Professor of Theology at Mount Allison University, Sackville, N.B., after the refusal of the Rev. Dr. Sprague of St. John to accept the post.

May 27.—At the annual closing Exercises of the University of New Brunswick 25 graduates are given their degrees and the Rev. W. O. Raymond makes a vigorous appeal for financial aid—especially to the new Engineering School in which there are already 41 students.

June 2.—At the annual Convocation of Mount Allison University, Sackville N.B., the honorary degree of D.D. is conferred upon the Rev. A. D. Morton and Rev. H. P. Cowperthwaite and that of D.C.L. upon Lieut.-Governor the Hon. J. B. Snowball and Mr. T. B. Flint, M.A., Clerk of the House of Commons. The graduates in Arts number 40. The students in Horton Academy numbered 110 and those in the Ladies College 210.

June 9.—At the annual Commencement of the University of St. Francois Xavier, Antigonish, 11 degrees in Arts are conferred.

June 18.—At the Commencement of the University of King's College ten graduates are given their degrees and the honorary degree of D.D. is conferred upon Bishop Restarick of Hawaii, that of D.C.L. upon Sir A. C. Mackenzie, MUS.D., of London, and that of D.Sc. upon Messrs. E. Gilpin, Jr., and H. S. Poole, M.A.

June 17.—The annual meeting of the Alumni of King's College, Windsor, N.S., deals in its Report with the question of Federation with Dalhousie; mentions the non-acceptance of the project by the Diocesan Synods of Nova Scotia and New Brunswick; passes Resolutions in favour of re-organizing the Faculty and against Federation; and receives the Report of much work done and considerable funds subscribed by and through the Rev. S. Weston Jones in his efforts to bring the Church and the University into closer relationship. The students of the year number 42.

June 18.—The annual Report of the University of St. Joseph's College, Memramcook, N.B., states the year to have been the most prosperous in its history and the students to have numbered 221. The degree of B.A. is given to 5 graduates.

Aug. 25.—The Rev. H. J. Cody, M.A., of Toronto, is offered and afterwards declines the Presidency of King's College, Windsor, N.S.

Aug. 25.—In the annual Report of Acadia University, presented to the Baptist Convention of the Maritime Provinces, it is announced that Mr. J. D. Rockefeller has promised $100,000 to the institution if a similar sum is locally subscribed and the Rev. Dr. Trotter states that in a few weeks he secured pledges from 21 persons amounting to $30,000. The attendance for the year has been 131 and the graduates number 44.

Sept. 8.—A special meeting in Halifax of the Alumni of King's College decides to organize branches throughout the Provinces and to aid the maintenance fund of the institution. Mr. Justice Hannington criticizes the business management of the College.

Sept. 13—The Board of Governors of King's College receive and accept the resignation of the Rev. Dr. C. E. Willetts, President of the University, and adopt a scheme of general reconstruction of the Faculty.

Nov. 4.—The Rev. Robert Magill, M.A., B.D., is inducted into the Chair of Apologetics and Systematic Theology at the Halifax Presbyterian College.

Nov. 26.—The annual meeting of the Senate of the University of New Brunswick receives a Report stating the attendance of students as 134 with 47 new ones entering during the year. New chairs in Forestry and Agricultural Chemistry are recommended, a $4,000 gift to the Engineering Department announced, and arrangements promised for the immediate building of a Gymnasium.

Dec. 5.—The Rev. S. Weston Jones reports the collection of $5,355, the direct promise of $4,884 and indirect promises totalling $100,000 more toward the maintenance and better endowment of King's College, Windsor.

Dec. 22.—It is announced that Mr. W. J. Goodrich, M.A. (Oxon.), has been appointed President of King's College, Windsor.

THE UNIVERSITY OF MANITOBA.

Feb. 12.—A Report is submitted to the University Council from a Special Committee stating that the Brandon Baptist College refuses to affiliate owing to conscientious scruples as to connection with any institution receiving Government aid.

Mch. 12.—Dr. McInnis, M.P.P. for Brandon, draws the attention of the Legislature to the University's refusal to hold examinations in Brandon and declares that every facility exists for such a course of action.

Apl. 2.—After much and keen discussion the University Council decides to retain Icelandic upon the Curriculum as an option.

May 15.—The Vice-Chancellor, Chief Justice Dubuc, presides at the annual University Convocation and states that 202 Arts students had written at the examinations as against 194 last year and in Medicine 115 to 117. On Matriculations there were 395 applications as compared with 301 twelve months before—a total of 712 against 612 in 1902. Of the students receiving degrees one came from St. Boniface College, two from St. John's College, ten from Manitoba College, and six from Wesley College.

June 5.—At the Medical Faculty Convocation degrees are given to 23 graduates.

Sept. 12.—Principal Sparling of Wesley College states that the vacancies on its staff have been filled by the appointment of Mr. R. O. Jolliffe, B.A., to the Latin Department and the Rev. Salem G. Bland, B.A., to that of Church History. In Manitoba College Mr. William Tier is announced as Professor of Mathematics and in the Medical College, Dr. Todd becomes Professor of Anatomy.

Oct. 8.—The new University Council for 1903-4 re-elects Chief Justice Dubuc Vice-Chancellor by acclamation.

Oct. 22.—Mgr. Sbarretti, Apostolic Delegate in Canada, visits St. Boniface College.

Dec. 1.—The University Council appoints Bishop Matheson of St. John's, Dr. Sparling of Wesley, Dr. Patrick of Manitoba, and Father Dugas of St. Boniface as four out of five members of the Manitoba Committee *re* Rhodes Scholarships.

Dec. 25.—Lord Strathcona presents St. John's College with a cheque for $10,000.

MISCELLANEOUS COLLEGE INCIDENTS

Jan. 15.—The *Canadian Baptist* states that Mr. and Mrs. William Davies of Toronto have given a further sum of $60,000 to Brandon College (Manitoba) and Lord Strathcona a contribution of $1,000.

Apl. 29.—At the Convocation of the Halifax Presbyterian College the attendance of 23 students during the year is reported and the honorary degree of D.D. is given the Rev. H. R. Robertson, a Nova Scotia missionary in the New Hebrides.

May 19.—The Report of the Columbian College, New Westminster, B.C., shows a prosperous year and the voluntary cancellation of a mortgage of $10,000 held by the Massey-estate of Toronto.

June 10.—The College of Mount St. Bernard (Catholic), at Antigonish, N.S., confers the B.A. degree upon two graduates.

July 7.—The Principal of Vancouver College, Mr. J. C. Shaw, announces that 4 scholarships at McGill, out of seven open for general competition, have been won by graduates of his institution.

Sept. 21.—Archbishop O'Brien, of Halifax, opens the new St. Mary's College in that City.

Sept. 24.—The Western Canada College (undenominational) is formally opened by the Premier, Mr. Haultain, at Calgary, N.W.T.

Oct. 5.—The Alberta College, Edmonton, N.W.T. (Methodist), is formally opened with the Rev. J. H. Riddell, B.A., PH.D., as Principal.

Nov. 17.—Mr. Premier Haultain explains in the Territorial Legislature the terms of his measure putting aside a land grant for a proposed Territorial University. "The University would be the centre of colleges grouped around and affiliated with it. The inevitable tendency of these colleges would be denominational, and there might be colleges at Regina, Calgary, Edmonton, Yorkton, Prince Albert and other important centres. It was not proposed to give the University, as yet, a name or local habitation. When they obtained Provincial establishment, it might well take its name from the future Province."

XV.—RELIGIOUS, TEMPERANCE, AND MORAL INCIDENTS

Jan. 4.—Dr. Machray, Archbishop of Rupert's Land, issues a Pastoral letter pointing out the growing needs of the North-West, the necessity for many new missions, the lack of effective clergymen and the increasing smallness of the prospective supply from Colleges, etc.

Jan. 5.—The Rev. Principal Patrick of Manitoba College, Winnipeg, speaks on the Temperance problem. "The essential principle in the solution of the Temperance question was the removal of profit for private interests in the sale of liquor. Remove the profit by the municipalization of the liquor trade and much of the evil is removed because the sale of liquor would not then be pushed as it is now. Such a step would also be of inestimable benefit to the public life of the country, for it would remove the power of the liquor interests from politics."

Jan. 15.—A large deputation, headed by Mr. G. F. Marter and spoken for by Mr. F. S. Spence, the Rev. Dr. Carman, the Rev. Dr. J. P. Sheraton, the Rev. Dr. Chown, Mr. Joseph Gibson, and others, waits upon the Premier of Ontario and his Government in order to request that effect be given to the recent Referendum vote by "the abolition of the public bar, the treating system and drinking in Clubs." The Hon. Mr. Ross replies that he will consult his supporters and "hope for legislation when the House meets."

Mgr. Donatus Sbarretti, d.d.

The new Apostolic Delegate in Canada.

The Rev. Dr. D. H. Fletcher

Moderator of the Presbyterian Church in Canada.

Jan. 19.—A deputation composed of Messrs. J. A. Paterson, K.C., O. A. Howland, C.M.G., Stapleton Caldecott, Henry O'Hara, R. U. McPherson, Hon. S. C. Biggs, and others, waits upon the Premier of Ontario to urge that "it is in the public interest that the sale of liquor, so far as permitted," should be under Government control.

Jan. 19.—A deputation from the Trades and Labour Congress, the Lord's Day Alliance and various Churches waits upon Mr. C. M. Hays of the G. T. R. and asks him to do away with unnecessary traffic or labour upon his road on Sunday.

Jan. 21.—In an interview in the *Globe* the Hon. Mr. Harcourt summarizes his views regarding Temperance reform as follows: "A single false step may throw back a good movement a whole generation. For this reason, although anxious at all times, as anyone could possibly be, for social betterment, I have been content to adopt a policy of further and still further restriction and of vigorous enforcement, the only limit on every occasion being that which a strong, well-considered public opinion would unhesitatingly support."

Jan. 30.—For the fiscal year to date the average daily population of the Penitentiaries of Canada is officially stated at 1,124 and the actual number at date as 1,250. Of these 858 are Canadian, 121 English, and 117 American, while 882 are single, and 442 are reported as intemperate, 635 as Roman Catholics in religion and 599 as of various Protestant sects.

Feb. 10.—Addressing the Society of Arts, London, the Countess of Aberdeen pays high tribute to Canadian women for their historic devotion and present "efficiency, capacity and alertness." She states that there are now 25 Local Councils belonging to the National Council of Women and speaks of the good work done by this organization.

Feb. 23.—A Pastoral to his churches from Archbishop Bruchèsi condemns in severe language the immoral theatres of Montreal, the press which supports them for a little money and the people who go to them.

Mch. 21.—The Dominion W. C. T. U. issues an appeal in respect to cigarette smoking which concludes as follows: "No disinterested person denies the evil results of the cigarette habit. Tobacco age-limit laws, prohibiting sale to those under eighteen (as in Ontario), have proved useless. We are asking the Government of this country to do as the States of Iowa, Vermont, Tennessee and Missouri and the Territory of Oklahoma have done, and prohibit the cigarette entirely."

Apl. 1.—The House of Commons, on motion of Mr. R. Bickerdike, passes a Resolution by 103 to 48 in which, after a general denunciation of cigarette smoking by young people, it states: "That this House is of the opinion, for the reasons hereinbefore set forth, that the right and most effectual legislative remedy for these evils is to be found in the enactment and enforcement of a law prohibiting the importation, manufacture and sale of cigarettes." The Premier and Mr. Borden both vote against it.

Apl. 4.—Under this date Archbishop Machray, of Rupert's Land, the Bishop of Norwich, Sir Gilbert Parker, M.P., and others, issue an appeal in the English press for £10,000 in aid of the Diocese of New Westminster, B.C., and for the complete endowment of the new Diocese of Kootenay, B.C.

Apl. 6.—A large deputation of the Licensed Victuallers of Quebec waits upon the Premier of that Province and asks for various reforms, including the permanence of licenses unless revoked for cause by competent authority; for the severest possible punishment of the illicit manufacture or sale of liquor; for higher fines and longer imprisonment in this connection; for limitation in the number of licenses given to retail liquor shops.

Apl. 8.—At Ottawa, H. E. the Countess of Minto states that the Victorian Order of Nurses has had $26,000 contributed for its purposes and that 68 nurses are now employed in 18 towns. She hopes for an endowment realizing $5,000 a year. For this purpose on May 17th, a meeting at Government House, Toronto, promises Her Excellency $56,000 and she states that Montreal has already given $36,000 and Ottawa $7,000.

Apl. 21.—The Rev. R. A. King, M.A., is set apart by the Presbytery of Winnipeg as Missionary to Central India and Principal of Indore College.

Apl. 23.—The North-West Territories Legislature approves the Premier's measure providing that a woman over 18 years of age and earning her own living apart from her parents or guardians, can marry without their consent.

Apl. 26.—In the Catholic churches of Montreal an important Pastoral on the Labour question from Archbishop Bruchèsi is read. In it His Grace denounces demagogues, urges moderation and preaches obedience to the Church. The workingman is declared to be entitled to a fair price in what he has to buy, a reasonable wage and the right to organize for mutual assistance and production. "Still this liberty does not give you the right to contend for ends which are in flagrant opposition to the public weal, justice and charity. This freedom of association does not invest you, for instance, with any right to use violent measures and embarrass capitalists and manufacturers in their natural rights, to molest employees who refuse to join your leagues, or have freely pledged themselves by contract to work for those employers. With the greatest anxiety do we see the labour organizations of our city seeking for affiliation with foreign associations. The majority of the leaders and members of those international unions have nothing in common with our temperament, our customs, or our faith."

May 13.—A Temperance deputation waits upon the Ontario Government to ask what action is to be taken upon the statement in the Speech from the Throne, of Mch 10th, promising "further legislation with respect to the liquor traffic." The Premier states that on account of the Gamey charges and the desirability of careful public consideration of the measure the Government have decided to hold it over and "introduce it early at the next Session."

May 13.—In the official organs of the two Churches, the Rev. Dr. R. H. Warden for Presbyterianism and the Rev. Dr. A. Sutherland for Methodism make an appeal for the unity and co-operation of the two Churches in Canada. They lay special stress upon missions as a field for united action.

May 27.—To the Ontario Legislature the Premier explains that the delay in Temperance legislation is merely a postponement of the Government's promise: "We made that promise in perfectly good faith, and with the honest intention of carrying out that promise. It was the intention to revise and consolidate the license laws of the Province and to make such improvements in those license laws as to make their operation less difficult, and in other respects along the lines we had previously moved to restrain, as far as it was possible to do, the liquor traffic."

May 28.—At the annual meeting of the Ontario Board of the Dominion Alliance for the Prohibition of the Liquor Traffic Mr. G. F. Marter is elected President in place of the Rev. Dr. Mackay of Woodstock; Mr. F. S. Spence is presented with an Address of esteem and a purse of $1,000; and the name of the Ontario Premier is dropped from the list of Vice-Presidents.

June 9.—The 29th General Assembly of the Presbyterian Church in Canada opens at Vancouver and the Rev. Dr. D. H. Fletcher of Hamilton is elected Moderator in succession to the Rev. Dr. George Bryce. The statistical condition of the Church is

stated in the Report, presented on June 12th, to include 118,687 families, 26,611 single persons, 222,031 communicants, 11,820 baptisms, 7,708 Elders and stipends paid by congregations amounting to $1,057,810. The Church Societies reporting number 783 with a total membership of 27,428, of whom 15,960 are females, and total contributions to the Church of $29,607.

June 10.—The Rev. Father Jonquet of the Oblate Order arrives in Montreal and explains to the *Globe* that his Order, like many others, has been expelled from France and that a number intend coming to Canada.

June 11.—The Grand Orange Lodge of British America changes the constitution of the Order so as to preclude the future admission to membership of liquor manufacturers or dealers.

June 11.—The Congregational Union of Ontario and Quebec meets in London; elects Mr. Henry O'Hara of Toronto, Chairman for 1904; is informed that they have in the two Provinces 79 churches and 19,789 members with $180,111 indebtedness and property valued at $796,850; decides to raise a Jubilee Fund of $100,000; listens to an address from Rev. Hugh Pedley warmly supporting a federation of Protestant churches; passes Resolutions in favour of such union and of Temperance and anti-cigarette legislation.

June 16.—The Rev. Dr. A. Stewart at Winnipeg denounces the recent Manitoba Referendum on Prohibition as a "loaded" one. "It was a free, open vote of every individual that had the form of a man. Women were excluded; but if a thing had the form of a man he could go up and vote; and he could vote practically as many times as he liked."

June 30.—The Excise statements for the fiscal year show a revenue of $12,190,123, of which $6,162,827 came from spirits, $1,029,623 from malt and $3,904,617 from tobacco; and a production at the distilleries of 4,063,603 proof gallons during the year.

July 2.—At the Triennial Foreign Missions Festival in London the Rev. Canon Welch of Toronto appeals for support to the Canadian Church. "I am not asking for financial help. It is men that we want; Englishmen, not to preach to Canadians but to minister to the English settlers of this generation until they and their children shall become absorbed in the Canadian nationality. It is these people, leaving English shores, who will made Canada the granary of the Empire; let us not be backward in tendering them the bread of life."

July 8.—The Rev. Dr. L. Norman Tucker addresses the Church of England Synod of New Brunswick in connection with the $75,000 asked by the Church for missions. He had visited most of the Synods and Dioceses of Eastern Canada and is convinced that the amount will be raised by the end of the year.

July 15.—The Judicial Committee of the Privy Council declares the Ontario Lord's Day Profanation Act of 1897 to be beyond the competence on the Ontario Legislature and, therefore, invalid.

July 16.—At the great International Convention of the Epworth League, opening in Detroit, many Canadian speakers participate including the Rev. Dr. Carman, Rev. W. Sparling and Mr. N. W. Rowell, K.C., of Toronto, Rev. G. J. Bishop and Rev. A. B. Birks of London, Rev. A. C. Crews and Rev. A. F. McKenzie of Toronto, Rev. A. B. Higgins of Middleton, Rev. Dr. J. S. Ross of Walkerton.

July 26.—A letter from Sir Wilfrid Laurier to the Apostolic Ablegate at Ottawa upon the occasion of the Pope's death is made public. In it the Premier says: "Canadians of all classes and denominations have had many reasons to appreciate the broad, wise and enlightened statesmanship with which he guided the Church, and which now calls forth a spontaneous tribute of admiration from the world."

July 29.—Amidst prominent local decorations and with various digni-

fied ceremonies the golden jubilee of Bishop Cameron of Antigonish, N.S., is celebrated. For 50 years he has been a priest and for 30 years a Bishop.

Aug. 13.—The Dominion Premier and Sir W. Mulock receive a deputation representing the Dominion Lord's Day Alliance, the Trades and Labour Council and the various Churches, asking for Federal legislation along lines affected by the recent decision of the Judicial Committee. Sir Wilfrid Laurier expresses sympathy with their objects and declares that no charters granted to railways, etc., will be allowed by the Government to interfere with future Lord's Day legislation.

Aug. 23.—The Maritime Province Baptist Convention decides to organize an Historical Society for the preservation of its denominational annals. The Home Mission Report states that many of their own College graduates are leaving for the United States—in the vast majority of cases this being the last which Canada sees of them.

Aug. 26.—The Presidents of the Conferences of the Methodist Church in Canada for the year are as follows:

Nova Scotia Conference	Rev. W. H. Langille.
New Brunswick and Prince Edward Island Conference	Rev. J. C. Berrie.
Montreal Conference	Rev. T. J. Mansell.
Bay of Quinte Conference	Rev. T. J. Edmison.
Toronto Conference	Rev. J. A. Rankin, B.A., B.D.
Manitoba Conference	Rev. Oliver Darwin.
Hamilton Conference	Rev. David A. Moir, B.D.
London Conference	Rev. Jasper Wilson, M.A.
British Columbia Conference	Rev. James Turner.

Sept. 9.—Sunday School statistics of Methodism in Canada show 3,431 schools, 33,642 teachers, 268,017 scholars and contributions of $184,654 during the Church year.

Sept. 30.—The official figures in Canada for the year ending at date, in 1902, show 5,660 convictions for crime or 29·89 for every 10,000 of urban population and 2·46 for every 10,000 of rural population. The proportion of women is 6·13 per cent. of the total number. Of the total criminals Canada furnishes 68 per cent., England 9, Ireland 7, Scotland 2 and the United States nearly 6 per cent. Married men number 1,290, single men 2,050, married women 105 and single women 106, widowers 1,200 and widows 113.

Oct. 1.—The annual Report of the General Board of Missions of the Methodist Church in Canada shows an income of $330,347—an increase of $23,918 over the previous year. An appeal is issued for a special and additional offering of $250,000.

Oct. 1.—The first General Conference of the Evangelical Association (German) held in Canada opens its Sessions at Berlin with delegates present from Europe, Asia and the United States. Bishop Bowman, of Chicago, presides and the Premier of Ontario welcomes the Convention.

Oct. 4.—The Most Rev. Bertram Orth, D.D., Archbishop of Vancouver Island, receives the pallium at the hands of Mgr. Sbarretti, Papal Delegate in Canada.

Oct. 20.—A Conference is held, at Washington, U.S., of the American Episcopal Church, the Church of England in Canada and that of the West Indies. The Bishops of Toronto, Niagara, Huron, Nova Scotia, Ontario, and Keewatin and the Coadjutor-Bishop of Montreal are present and a paper read by Dr. Carmichael of Montreal, on the possibilities of Christian Union, is recommended by Resolution to be laid before the Presbyterian and Methodist governing bodies for consideration and such action as they may deem fit.

Oct. 21.—In his address to the Synod of Columbia, B.C., Bishop Perrin quotes correspondence with the Archbishop of Canterbury

regarding the transference of the four Dioceses of the Province from their allegiance to the Metropolitan of England, to that of the Metropolitan of Canada. His Lordship urges that this action be taken.

Oct. 24.—During his visit to Winnipeg, Mgr. Sbarretti, Apostolic Delegate in Canada, takes strong ground in an address at St. Mary's Academy against the so-called "new woman." "Knowing how great is the influence of women in the family and in the higher and wider circles of society, we want to enable them to display all their abilities in doing good in their homes, in society and in church work. Woman's natural power resides in graciousness, loveliness and goodness of character. These ideal virtues make up for their deficiency in physical strength. Their powers are rather intellectual and moral than physical, and these produce in the minds and hearts of men a more profound impression than any physical or material force."

Oct. 29.—The Ontario Women's Christian Temperance Union meeting at St. Thomas passes the following Resolution: "Resolved that we reaffirm our faith in the total prohibition of the liquor traffic, which includes total abstinence for the individual and legal prohibition for the State; also an equal franchise for men and women, and in political, social and personal purity."

Nov. 15.—The Rev. J. W. Pedley preaches in Toronto upon existing public life and conditions. "It would be well assumed that corruption in politics was due to the fact that once men entered it they discarded all the principles that seemed to regulate their conduct in ordinary life. To suggest such a thing as honesty in politics was to meet with ridicule; to even hint that there might be possible relations between politics and religion was to excite a sneer, or to say that ethics had anything to do with the settlement of a public policy made the average politician laugh."

Nov. 28.—In a letter to his clergy and laity, the Rt. Rev. Frederick Courtney, D.D., S.T.D., Bishop of Nova Scotia, tenders his resignation to take effect on Apl. 25th, 1904, when he will have completed his 16 years of Episcopal service. On account of his wife's health he had decided to accept the Rectorship of St. James Church, N. Y.

Dec. 15.—Archbishop Bruchèsi, of Montreal, celebrates the 25th anniversary of his ordination by a solemn religious ceremony and the receipt of a gift of $13,586 from the people of his Archdiocese for use in charitable objects.

Dec. 20.—The Hon. George E. Foster addresses a Temperance meeting in Toronto and, after a reference to his strong protectionist beliefs, says: "Give me one generation of people who are total abstainers and I will, with a 5 per cent. tariff, undertake to show the greatest regime of prosperity that has ever come to this country."

Dec. 24.—Mgr. Emard, Bishop of Valleyfield, issues a vigorous Pastoral against intemperance. "Why cannot a market day be concluded without sealing it with liquor? Why can you not receive a friend without doing him the injustice to suppose that he came to taste your liquors? Why, farmers, during your agricultural meeting, after having spoken of the necessity of hard work and economy in your noble profession, why, we, say, waste on the spot the best of your time by repeated invitations to drink together ?"

XVI.—LABOUR INCIDENTS AND AFFAIRS

Feb. 25.—The letter written by Mr. Thompson, Toronto's Chief of Fire Brigade, which absolutely refuses to recognize any Labour union in the Fire Department and orders the immediate disbandment of the one already organized, is made public. Ultimately the ground taken is approved by the Municipal authorities.

Mch. 31.—The strike of the Longshoremen of Montreal begins and in its progress includes many of the teamsters and carters of the city and sympathetic action by the Longshoremen of Quebec, Halifax and St. John in Canada and those of Baltimore, Portland and New York in the United States who refuse (May 6th) to handle freight loaded by non-union men at Montreal or any goods diverted to those points by the strike.

Apl. 1.—Judgment is handed out by Mr. Justice MacMahon fining the Berlin Union No. 112, Ontario, $100 and costs, for unlawful boycotting of a local industrial concern.

Apl. 2.—The first annual meeting of the Employers' Association of Toronto is held and Mr. F. B. Polson is elected President. Mr. E. W. Day states that only 20 per cent. of the workingmen of Canada belong to unions and protests against the dictatorial attitude assumed by these organizations.

Apl. 6.—Representatives of the Dominion Trades and Labour Congress wait upon the Government and urge, especially, the enactment of a measure prohibiting the bringing in of labour under contract, of any kind, from any country. Sir William Mulock points out that this would prevent the importation of much-needed farm labour.

Apl. 27.—A deputation of manufacturers and other employers wait upon the Dominion Government and protests against certain proposed legislation. Mr. Edward Gurney states that 20,000 additional artizans are needed in the country and declares the workingmen to be virtually slaves of the United States walking delegates.

Apl. 30.—The Montreal Board of Trade, at a special meeting, passes a long Resolution declaring the Longshoremen's strike to be "due to the intervention of Foreign professional agitators whose aims are antagonistic to the best interests of the city and country" and proclaiming the Longshoremen's Union to be "affiliated with and under the control of a Foreign organization, which latter is interfering in an unwarrantable manner with the freedom of labour."

May 6.—The Longshoremen's strike at Montreal is discussed in Parliament and regular troops are sent to relieve the volunteers from some of their heavy duties.

May 9.—In the London *Daily News* Mr. W. T. R. Preston, Dominion Emigration Commissioner, denies the statement that the Canadian labour market is congested; says there is room for 5,000 farm labourers and 10,000 mechanics; and denounces the skilful, organized efforts of United States Labour men to obtain control in Canada. "No person has more sympathy than myself with genuine labour movements, organized for the purpose of benefiting *bona fide* workingmen, but I have no sympathy with tricksters who simply wish to use the bone and sinew of our young country as cats'-paws in their own game, for their own purposes. Let me tell you this, that if we had not turned English labour into Canada, the American agitators would have had a strike in full swing by now in our country, which would have meant paralysis to every industry, from farming to rail-

road building, for the ramifications of the Labour organizations are enormous."

May 7.—The Minister of Labour, Sir William Mulock, and the Hon. Mr. Prefontaine, commence negotiations on behalf of the Government for a cessation of the Montreal strike and are assisted by Sir T. Shaughnessy and other leading citizens. A satisfactory settlement is finally effected on May 11th.

May 23.—A strike is declared by the Montreal Street Railway employees but many men are at once obtained to take their places, a good part of the service is continued and outside intervention declined by the Company. On May 28th a number of the strikers declare the matter closed, sever their connection with the International Union and return to work.

June 1.—In the Senate the Hon. R. W. Scott, Secretary of State, explains his difficulties in connection with the Printing Bureau employees and his desire to keep that service open to either union or non-union men. He was strongly opposed to the boycotting of free labour by union men. "They (the latter) are under many disadvantages in their conflict with capital, and it is desirable that they should be protected in any union they wish to form, but I am sorry to say that in recent years the tendency has been for the unions to go far beyond the rights they are entitled to as free men in a free country. They are becoming aggressive."

June 6.—The *Telegram* estimates the total number of men engaged in the building strikes in Toronto as 3,000, the loss in wages as $130,000 and the building business lost as being $1,000,000.

June 12.—The *Toiler* publishes an able and calm presentation of the Labour arguments, against Senator Lougheed's proposed legislation, and for the information of the Senate Committee. It concludes as follows: "From time to time there come into unions men whose principles are diametrically opposed to those of the union. The true unionist stands for an identity of interest between capital and labour, and believes in and strives for the harmonious working of the two; he recognizes that they should be drawn together, rather than separated; that the best interest of the individual, of the community and of the country is to be found in the amicable relations existing between capital and labour; but there are those in the community who teach the very opposite; who teach the doctrine of conflict between labour and capital; who recognize no right of property; who regard laws as unjust restrictions upon individual liberty."

June 15.—The officials of the District Labour Council of Toronto (R. H. Cox, James Simpson and D. W. Kennedy) write an open letter to the British press denying Mr. Preston's statement as to the openings for emigrants in Canada; stating the increase in living since 1896 as running from 25 per cent. in the price of beef to 166 per cent. in that of potatoes; declaring that 8 months' employment in the year is a good record for a mechanic; denouncing the increase in house rents in Toronto as 25 per cent. since 1898; and defending the United States trades unions.

July 1.—The Ottawa *Labour Gazette* states the number of Labour organizations in Nova Scotia to be 93, in New Brunswick 56, in Prince Edward Island 14, in Quebec 202, in Ontario 853, in Manitoba 63, in the Territories 46, in British Columbia 13, and in the whole Dominion 1,551.

July 10.—The Royal Assent is given to Sir William Mulock's "Act to aid in the Settlement of Railway Labour Disputes." It provides for the appointment of a Committee of Conciliation and the establishment of a Board of Arbitration. The disputes are to go to the former body first and then, if unsettled, to the latter. The powers of the Arbitration Board include a full inquiry and

investigation under oath, the presentation of a Report to the Minister of Labour and the giving to this statement of the utmost possible publicity. Enforcement is left entirely to public opinion upon the facts as thus obtained and presented.

Aug. 1.—The Canadian Manufacturers' Association states in detail and at length the nature of the demand for mechanics in Canada and estimates the number immediately required at 11,104. In the London *Chronicle* of June 11th, Mr. R. J. Younge, the Secretary, had a letter to this effect.

Sept. 15.—The first annual gathering of the National Trades and Labour Congress—representing the secession of 1902 from the larger body—is held at Quebec and an address delivered by Mr. Omer Brunet describing the rapid growth of their organization as a protest against international unionism and a victory for national sentiment. The more important Resolutions passed are as follows:

1. Asking that public or Government work be done by the day and not by contract and for a 9 hours' day outside and 8 hours inside.

2. Approving the establishment of technical schools in Montreal as an aid in the education of workmen.

3. Asking for Government appointment of Inspectors of scaffolding, bread and barrels and for a duty upon American barrels, which have been used, and an increase of 10 per cent. in the tariff upon imported footwear.

4. Urging a thorough revision of the tariff.

Sept. 18.—The Canadian Manufacturers' Association, at its annual meeting, deals at length with the labour question. Resolutions are passed in favour of the re-organization of the Labour Department at Ottawa and of the Bureau of Labour in Toronto so as to ensure the appointment of only impartial and fair-minded officials and the adoption of a policy making them of service to employers as well as employed; and urging the Government to enforce the incorporation of Trades unions. The Special Committee appointed to deal with the subject recommends the inclusion of certain declarations in the Constitution to the following effect:

1. Unalterable opposition to illegal acts of interference with the personal liberty of employer or employee.

2. Disapproval of strikes and lockouts and favouring amicable settlement of difficulties on a basis of mutual rights.

3. Liberty of workingmen to belong, or not, to Labour organizations without discrimination or interference on either side.

4. The right of the employee to leave his position when he wishes and the right of the employer to discharge an employee when he sees fit.

5. No interference with employers in determining the amount and quality of their product and no restriction upon employees in learning any trade which they wish.

6. Opposition to international control over Canadian unions.

Sept. 22.—The Trades and Labour Congress opens its annual meeting at Brockville with 120 delegates representing, it is said, 170,000 men and with Mr. John A. Flett of Hamilton presiding. During the year the membership is stated to have increased 4,686 of which number Ontario contributed 4,170. A special Committee reports upon the British Columbia Royal Commission into Labour Conditions and declares its findings to be biased and partial and the body itself to be unfairly constituted in not including a representative of the Labour interests. The Committee protests against compulsory incorporation of unions as "a strangulation of organized Labour" and urges the British Columbia unions to adopt the better methods and organiza-

tion of the international body. Mr. J. A. Flett is re-elected President by one vote over Mr. A. W. Puttee, M.P., of Winnipeg and the following Resolutions are passed amongst others:

1. Approving and urging an 8-hour day for all workmen on the Intercolonial Railway.

2. In favour of independent Labour candidates in both Parliamentary and Municipal elections.

3. Urging the Dominion Government to include in the G. T. P. contract the recommendations of the Crow's Nest Pass Railway Commission regarding workmen.

4. In favour of direct legislation and the initiative and referendum.

5. Opposing the over-capitalization of companies and asking for legislation to prevent it; and condemning the appointment of men holding corporation retainers to the position of Crown Attorneys.

Oct. 20.—A deputation waits upon the Prime Minister and Minister of Labour from the National Trades and Labour Congress and describes its membership as 7,000 men; asserts its thorough Canadian character and freedom from all alien affiliations; denounces the importation of Foreign labourers as strike-breakers; and recommends the adoption of conciliating methods.

Oct. 27.—In an action by the Gurney Foundry Company against, practically, the Labour organizations of St. Catharines, Mr. Justice Meredith grants an injunction restraining the latter from interfering with the Company in any way, by boycott of goods, or by published statements of a hostile character.

Oct. 29.—A very large organization of continental employers and manufacturers is effected at Chicago for purposes of defence against trades union aggression. Representatives are present from Toronto, Winnipeg, Vancouver and Kingston, Canada.

Nov. 10.—Mr. Chancellor Boyd decides that Toronto municipal authorities cannot include in specifications calling for tenders any reference to a particular union label.

Nov. 13.—The Toronto *Toiler* states the partial membership of international unions in Canada as 19,710, the amount received from Canadian unionists at international headquarters in the past year as $86,773 and expended by the same authorities in Canadian organization as $12,682, and for the benefit of Canadian unionists as $316,875.

XVII.—MUNICIPAL INCIDENTS AND AFFAIRS

Jan. 1.—The official statistics of the Ontario Bureau of Industries are made public for 1902 and show a total Provincial assessment of $859,943,263 as against $835,697,607 in 1901; a total of $14,146,831 in taxes in 1902; a debenture debt (1901) of $59,496,650 and floating debt of $7,223,781; with interest paid on loans and debentures of $2,709,554.

Jan. 1.—The Mayors elected in Canada about this time—a little earlier or a little later—for the year 1903 include Thomas Urquhart in Toronto, Hon. S. N. Parent in Quebec, Fred. Cook in Ottawa, John Arbuthnot in Winnipeg, A. B. Crosby in Halifax, W. W. White in St. John, R. P. McLennan in Dawson City, A. G. McCandless in Victoria, John Dean in Rossland, B.C., Dr. W. O. Rose in Nelson, J. H. Schofield in Trail, B.C., R. J. Graham in Belleville, Ont., M. K. Halloran in Brantford, J. H. Hamilton in Guelph, W. J. Morden in Hamilton, Adam Beck, M.P.P. in London, G. M. Rogers in Peterborough, C. F. Maxwell in Stratford, John White in Woodstock, W. A. Richardson in Sydney, N.S., and A. S. Black, in Truro, N.S.

Feb. 10.—In the Toronto *World* appears a letter from Mayor Urquhart of Toronto which summarizes his views as to telephones and municipalities as follows:

1. That the Government should own and operate all long-distance lines.

2. That every municipality should have the right to acquire, on fair terms, the system of any company operating within the municipality.

3. That all municipalities doing a telephone business should have the right to use long-distance lines, tolls to be fixed by the Governor-in-Council.

4. That the rights of municipalities in their highways, streets, and public places should be protected and preserved.

Feb. 17.—Representatives of a number of Ontario cities and towns including the Mayors of Toronto, London, Guelph, St. Catharines, Galt, Brantford, St. Thomas, Berlin, Hamilton, Woodstock, St. Mary's, and other places, meet at Berlin with Mr. E. W. B. Snider in the chair, to discuss the question of Niagara power. They favour immediate legislation enabling municipalities to purchase, sell or distribute electric energy from the Falls and action along lines which would prevent corporate companies from obtaining entire or extended control of the power.

Feb. 20.—Speaking at Newmarket the Hon. Mr. Ross declares that in the three power franchises granted at Niagara Falls the Government have made a good arrangement. "In a short time we stand to have a revenue of over $300,000. That is our position, and that is what I call good financing. We are willing to allow the municipalities, Toronto and the rest, to develop energy there, and they will not be curtailed; but Ontario must not get into debt because of it. Niagara Falls power can only reach a small portion of the population of the Province. All and any municipalities desiring to go into the business of developing electric power may do so, but the Government will not involve this Province in debt unless for the substantial benefit of all."

May 6.—The terms of the afterwards much-discussed measure to incorporate at Ottawa the Toronto, Hamilton, and Buffalo Railway declares the projected undertaking to be one for the general advantage of Canada and thus assumes the right to give the Railway control for certain purposes over the streets of Toronto. It is proposed to construct and operate a line from Toronto to Buffalo and power is asked to enter into agreements for purchase, or amalgamation, or control, with seven electric lines running into Hamilton or Toronto. Vigorous protests are made by the municipalities concerned and, on July 14th, a large deputation from Toronto, Hamilton and Montreal waits upon the Government to explain the objections raised.

May 7.—Mr. Premier Ross moves the 2nd reading of a measure in the Ontario Legislature intended to provide for the construction of municipal power works and the transmission, distribution and supply of electrical and other power and energy—in connection especially with Niagara Falls where three franchises had already been granted, each providing for a development of 100,000 to 125,000 horse-power. The measure provides in detail for combined municipal action under control of a Commission appointed by the Chief Justice of Ontario and is not opposed in principle by the Opposition Leader.

July 31.—The *Insurance and Finance Chronicle* of Montreal gives the names of 44 places in Ontario which have municipally-managed electrical plants including Aylmer, Brockville, Chatham, Collingwood, Guelph, Orillia, Owen Sound, Sudbury and Woodstock.

Aug. 12.—The annual meeting of the Ontario Municipal Association is held at Guelph with the President, Mr. Robert Slater of Niagara Falls, in the chair. A Resolution is passed expressing alarm at the attempts of railways to obtain control over the streets of municipalities.

Aug. 14.—The Hon. Lomer Gouin of the Quebec Government makes a vigorous speech at Ottawa in support of Municipal protests against the T., H. and B. Bill.

Aug. 20.—Referring to Toronto's contest with the authorities at Ottawa over the T., H. and B. Bill and the final results Mayor Urquhart says in the *Star*: "It is a significant victory for municipal rights and clearly sets forth the right of municipalities to control their own streets. In the event of any electric railway company desiring to enter the city it can only be by the consent of the City Council after a proper by-law has been passed. Our streets are not only protected, but every inch of city property is protected against the designs of these Companies." The *Globe*, however, thinks the result not quite satisfactory as the measure should not be allowed, in any shape, to become law. "The chief objection to it remains untouched, namely, that it is beyond the jurisdiction of the Dominion Parliament, and that to enact it would be to create a vicious and dangerous precedent."

Aug. 26.—Dr. E. J. Barrick presents to the Canadian Medical Association at London a strong plea for the establishment of Municipal Sanitaria for Consumptives.

Sept. 1.—Under this date a Select Committee of the Ontario Legislature, appointed on May 19th, and composed of Messrs. J. M. Gibson, A. Pattullo, G. P. Graham, T. H. Preston, T. Crawford, J. S. Hendrie, and D. Murphy, K.C., issue a publication edited by Mr. Avern Pardoe, Legislative Librarian, dealing with the question of Municipal Ownership . It is made up of extracts from books, speeches and articles on various phases of the subject in different countries, and includes a valuable Bibliography. The work relates chiefly to municipal or other ownership of water, gas, electric light and power plants and street transportation.

Sept. 16.—The third annual meeting of the Union of Canadian Municipalities is held at Ottawa with ex-Mayor O. A. Howland of Toronto in the chair. Mr. W. D. Lighthall of Montreal reports 106 members, representing 26 cities, 59 towns and 21 other municipalities. He refers, as Secretary, to much good work in defence of municipal rights and interests done during the year. Mayor Cook of Ottawa is elected President and the Vice-Presidents include Mayors Urquhart of Toronto and Beck of London.

Oct. 30.—Mayor W. E. Smallfield of Renfrew completes in his paper, *The Mercury*, a valuable series of articles reviewing the practice of municipal ownership in Collingwood, Trenton, Colborne, Orillia, Bracebridge, Parry Sound, Port Arthur and Newmarket.

Dec. 31.—Two Canadian towns become cities during the year—Regina in the North-West Territories, by Legislative charter on June 19th, and Niagara Falls in Ontario by Order-in-Council on Dec. 11th.

XVIII.—LITERATURE AND JOURNALISM

Jan. 1.—The Rev. J. A. Macdonald becomes Editor-in-Chief of the Toronto *Globe* and Mr. John Lewis chief editorial writer of the Toronto *World*.

Feb. 3.—The War Office is stated to have announced the presentation of South African War medals to Messrs. Frederick Hamilton and John A. Ewan, Canadian correspondents in the field.

Feb. 5.—The Canadian Press Association meets in Toronto with President D. McGillicuddy in the chair. Various matters of interest to the profession are considered, a banquet is held in the evening and officers elected as follows: President H. J. Pettypiece, M.P.P.; Vice-Presidents John A. Cooper and Arch. McNee; Secretary-Treasurer, J. T. Clark.

Feb. 6.—The Canadian Society of Authors elects its officers for the year as follows: Hon. President, Dr. Goldwin Smith; President, Hon. George W. Ross, LL.D.; Vice-Presidents, Dr. George Bryce, Winnipeg, Dr. W. H. Drummond and Dr. L. H. Frechette, C.M.G., Montreal, Hon. J. W. Longley, K.C., Halifax, Duncan C. Scott, F.R.S.C., Ottawa, Sir J. M. Le Moine, Quebec, and Miss Agnes Maule Machar, Kingston; Secretary, Prof. Pelham Edgar; Treasurer, Mr. John A. Cooper, LL.B., Committee, James Bain, D.C.L., O. A. Howland, C.M.G., K.C., Bernard McEvoy, J. Castell Hopkins, F.S.S., J. S. Willison, F.R.S.C., J. Macdonald Oxley, Byron E. Walker, Prof. F. J. A. Davidson, Prof. A. H. F. Lefroy, Prof. James Mavor, C. C. James, M.A.

Apl. 4.—*Le Canada*, the new Liberal organ in Montreal, makes its first appearance with Messrs. Godfroi Langlois, Marc Sauvalle and Hector Garneau as its editorial staff and with the following introduction: "The Liberal party, by the voice of its leaders, has entrusted to this paper the task of being its organ among the population of our Province, of setting forth to the body of electors its views and ideas, of leading public opinion in the lines of the reforms which it wishes to carry out and of the course which it wishes to give to the affairs of the country."

Apl. 30.—Mr. Austen Chamberlain, Postmaster-General, in the British House of Commons gives his reasons for not lowering the newspaper rates to Canada: "I appreciate the great importance both politically as well as commercially, of facilitating the circulation of our newspapers and periodicals in Canada, and I should have been very glad if I could have adopted the Canadian rates for such matter. But our present rates for newspapers and periodicals sent from this country to Canada are, except in the case of registered newspapers, the same as those charged for the transmission of printed matter within the United Kingdom. Even within the present limits of weight the halfpenny post is not remunerative and after a careful consideration of all the circumstances, I regret that I cannot see my way to its extension generally; nor do I think I would be justified in making a special arrangement for transmission to Canada only at rates lower than those in force within the United Kingdom."

Mch. 14.—The sale of the Goderich *Signal* by its proprietor and Editor for 22 years—Mr. D. McGillicuddy—is announced.

May 11.—The Canadian Society of Authors with its President, the Hon. G. W. Ross, in the chair, banquets Mr. Sydney Lee, Editor of the Dictionary of National Biography, at Toronto.

May 19.—The Royal Society of Canada meets at Ottawa with the President, Sir James Grant, M.D., in the chair. Prof. H. F. Osborn of Columbia University, N.Y., and Prof. W. F. Ganong, PH.D., of

Smith University, Northampton, Mass., are elected corresponding members and Dr. J. C. McLennan, A. E. Barlow, LL.D. and W. D. Le Sueur, LL.D., are elected to membership. For the year 1903-4 Lieut.-Col. George T. Denison is elected President, Mr. Benjamin Sulte, Vice-President, Dr. S. E. Dawson, Hon. Secretary, and Dr. James Fletcher, Hon. Treasurer.

June 11.—Representatives of four Canadian newspapers in the persons of J. S. Brierly, Rev. J. A. Macdonald, J. Ross Robertson and Smeaton White, wait upon the Hon. Mr. Fielding and ask for a subsidy—which is afterwards granted by Parliament—of $15,000 toward the establishment of a Canadian News Cable Service.

June 25.—It is stated that Mr. Alfred Woods of Toronto has purchased the Ottawa *Free Press* from Mr. C. W. Mitchell.

July 2.—A monument to Nicholas Flood Davin, K.C., ex-M.P., Orator, historian, poet and politician, is unveiled at Ottawa by Sir Charles Tupper, Bart, with an address by Prof. Clark of Toronto and a Memorial Ode by W. Wilfred Campbell.

Sept. 1.—The new Canadian News Service from London commences with Messrs. F. D. Jacob and Charles Robertson as the correspondents.

Sept. 23.—Mr. C. J. Milligan retires from the control of the St. John *Telegraph* and is succeeded as Editor by Mr. E. W. McCready.

Oct. 2.—The *Sentinel-Review* of Woodstock, Ont., is sold by Mr. Andrew Pattullo, M.P.P. to a Company of which M. J. Taylor and A. Balmer Watt are the chief officers.

Nov. 23.—Mr. Ernest Pacaud sells *Le Soleil* of Quebec to a Committee of gentlemen acting in trust for the Liberal Party and Sir C. A. P. Pelletier assumes temporary charge and afterwards forms an incorporated company.

Dec. 4.—The Province of Quebec Press Association meets and elects Mr. A. B. MacNab, Managing Editor of the Montreal *Star*, as its President.

Dec. 8.—It is announced that Mr. A. G. Doughty of Quebec will be appointed Dominion Archivist and Keeper of the Records.

Dec. 31.—Amongst the new papers started during the year in Canada are the *Independent* of Wawanesa, N.W.T.; the *Keystone*, Whitby, Ont.; the *Evening Journal*, Edmonton, N.W.T.; the *Herald*, Lyleton, Manitoba; and the *Daily Standard*, Windsor, Ont.

Dec. 31.—During the year the Quebec *Mercury* (Hon. Mr. Tarte's organ); the London *News*, an independent journal; the Edmonton *Post*, a Conservative paper; and the Fredericton *Reporter*, cease publication.

XIX.—ART AND MUSIC

Jan. 19.—Madame Albani, the eminent Canadian singer, commences her tour of Canada with a Concert at Halifax.

Mch. 31.—The Ontario Government, with the advice of a Committee of the Guild of Civic Art, purchase pictures by Messrs. W. E. Atkinson, J. W. Beatty, F. S. Challener, R. F. Gagen, C. S. Hagarty, J. D. Kelly, G. A. Reid, Mrs. Mary A. Reid, O. P. Staples and S. S. Tully.

Apl. 16.—The annual exhibition of the Royal Canadian Academy is opened at Montreal by the Rt. Hon. Sir Wilfrid Laurier. Two diploma works—by Edward Dyonnet, R.C.A., and William Hope, R.C.A.—are purchased by the Dominion Government for the National Gallery. At the annual meeting William Allward, sculptor, and Miss Clara Hagarty, painter, of Toronto; and Edward Maxwell and Norman McVicar, architects, of Montreal, are elected Associates; and Mr. Robert Harris, C.M.G., is re-elected President.

May 7.—The last of the Cycle of Musical Festivals in Canada, arranged and managed by M. C. A. E. Harriss and conducted by Sir Alexander C. Mackenzie, President of the Royal Academy of Music, takes place at Victoria. This memorable presentation of British music to Canadian audiences includes 18 Festivals and employs 4,000 performers. Halifax, St. John, Ottawa, Toronto, Hamilton, London, Brantford, Woodstock, Montreal, Winnipeg, Brandon, Vancouver, and Victoria are amongst the cities included.

Sept. 3.—The National Chorus is organized at a meeting in Toronto, after having done excellent preliminary work under Dr. Albert Ham, in connection with Sir Alexander Mackenzie's Festival. His Excellency the Governor-General accepts the Hon. Presidency and Mr. W. D. Matthews is elected President, with Dr. Albert Ham as Conductor.

Sept. 10.—A Committee of Selection on behalf of the Industrial Exhibition Directors purchases pictures by J. W. Beatty, O.S.A., F. S. Challener, R.C.A., Mrs. Mary A. Reid, A.R.C.A., W. D. Blatchley, R.C.A., R. F. Gagen, R.C.A., F. McGillivray Knowles, R.C.A., C. M. Manly, P.O.S.A., A.R.C.A., W. E. Atkinson, A.R.C.A., and J. T. Rolph, A.R.C.A., at prices ranging from $50 to $150, for hanging in the City Hall.

Sept. 18.—Mr. E. B. Osborn, writing in the *Morning Post*, London, regarding his visit to the Canadian Art Gallery at the Toronto Exhibition, says: "It was easy to see that the Canadian artists, a majority of whom have studied in Paris, are even now an artistic force which the cosmopolitan critic must take into consideration, perhaps not to-day, but certainly to-morrow. Paris, the most autocratic of art mistresses, has not crushed out the originality which is their national birthright."

Oct. 15.—Madame Melba, the Australian singer, is given an enthusiastic and appreciative reception in Toronto.

Nov. 2.—A correspondent writes: "Toronto University has taken up the matter of Local examinations in practical and theoretical music on lines similar to those of the Royal College and Royal Academy Associated Boards, and has established various local centres together with a Licentiateship in Music."

Dec. 14.—Miss Margaret Anglin, the Canadian actress, wins a triumph in Toronto as "Cynthia" in the Mr. H. H. Davies' play.

XX.—IMMIGRATION MOVEMENTS INTO CANADA

Jan. 25.—An Emigration Convention is held at St. Paul, Minn., attended by 70 delegates representing very largely United States land corporations interested in Western Canadian lands. A Western Canadian Emigration Association is formed, $15,000 is subscribed for preliminary work and an organized effort is arranged for persuading farmers and farmers' sons of the Western States to migrate to Western Canada.

Feb. 5.—Mr. G. H. V. Bulyea, Territorial Commissioner of Public Works, tells the Montreal *Witness* that he is not afraid of the "American invasion": "Of course, the American felt, for a while, that there was only liberty under one flag on earth, but all that was changed in two or three years. He took out his papers, he obeyed the laws; and he made a better farmer than any other, for he came from the lands which were farmed as lands were farmed in the North-West. Farmers from the east, from Ontario, or from the Old Country, had to unlearn their methods." To the Toronto *News* on Aug. 29th Principal Auden of Upper Canada College, says the same thing after a visit to the West: "Viewing the situation from the standpoint of the

man or the company keen upon developing the country, he had come to the conclusion that the American farmers from the Western States were the most desirable class of settlers, because they knew the possibilities of the Western soil, understood Western methods, and were thoroughly up-to-date."

Mch. 27.—Lord Strathcona writes to the *Standard* and other British papers summarizing the advantages offered by Canada to emigrants:

1. A free grant by the Government of 160 acres of land to every male settler of 18 years and over.
2. A healthy climate.
3. A country where law and order are most strictly observed and enforced.
4. A system of education and educational institutions equal to those of any other country.
5. Churches of various denominations, which are established, even in new districts, as rapidly as the country settles.
6. Excellent transportation facilities for carrying to market the products of the farm.
7. Good local markets, and fair prices for products.
8. The fullest recognition of civil and religious liberty.

Apl. 2.—In the London *Chronicle* Mr. W. T. R. Preston states that he is familar with much of the Rev. I. M. Barr's work and correspondence in connection with his "All-British Colony" and that he is certain every effort was made to instruct the emigrants in the difficulties and drawbacks as well as advantages of their movement.

Apl. 23.—The correspondent of the Toronto *Globe* states that after their long journey and the natural filtering process of the time there are not now more than 1,500 Barr Colonists ready for their further journey of 150 miles from Saskatoon.

June 30.—The immigrants for the fiscal year are stated by Mr. J. A. Smart, Deputy Minister of the Interior, to number 124,658—an increase of 57,279 over 1902. The Homestead entries in Western Canada, as a whole, for the fiscal year are 31,002 as against 14,289 in 1902.

July 9.—Speaking to the Manitoba *Free Press* the Rev. Mr. Barr states the belief that his original idea of a large and united body of immigrants is a mistake and alleges the personal loss of $10,000 in connection with the matter. "I was, of course, wrong in some of my plans, but I did the best I could, and mistakes in such a huge movement cannot be altogether avoided. I see now many errors I could guard against had I to do it again, but the whole thing was so suddenly thrust upon me that I had not time to spend over the consideration of every detail. I had practically the whole thing to do myself. I tried to get capable assistance but could not do so."

Dec. 23.—Mr. James A. Smart, in a press interview (Toronto *Globe*), estimates the present population of Manitoba and the Territories at 650,000, of whom not over 125,000 are Americans.

XXI.—LEGAL INCIDENTS AND APPOINTMENTS

Jan. 2.—An Order-in-Council at Ottawa appoints Mr. R. H. Myers, M.P.P., of Manitoba a County Court Judge of the Province in place of the Hon. J. E. P. Prendergast, promoted to the Supreme Court of the Territories. The Hon. A. L. Sifton becomes Chief Justice of the latter Court.

Jan. 20.—A judgment of the Judicial Committee of the Privy Council finally decides the remaining questions arising out of the prolonged boundary dispute between Ontario and Quebec, in an action between the Ontario Mining Company and Messrs. Seybold, Osler and others. The Counsel for the defendants is Mr. J. M. Clark, K.C., and for the prosecution Mr. Christopher Robinson, K.C. By the decision in favour of the former precious metals are included in the royalties exclusively vested in the Province of Ontario.

Feb. 14.—The appointment is announced of Mr. Thomas Hodgins, K.C., M.A., Master-in-Ordinary at Toronto, to be a Judge of the Court of Admiralty.

Mch. 8.—Mr. Napoleon Carbonneau, K.C., ex-M.P., is appointed a Judge of the Superior Court of Quebec.

Apl. 8.—A large deputation from the Quebec and Montreal Bar waits upon the Minister of Justice at Ottawa and urges better salaries for the Judiciary. Resolutions along this line are passed on Jan. 7th by the Law Society of Victoria, B.C., and on Jan. 26th, by the County of York Law Society.

May 23.—The appointments are gazetted at Ottawa of Mr. Wallace Nesbitt, K.C., as a Justice of the Supreme Court of Canada and of Mr. James Vernon Teetzel, K.C., as a Justice in the Court of Common Pleas of Ontario.

July 4.—It is announced that the following 70 members of the Provincial Bar have been appointed King's Counsel by the Government of Quebec:

Montreal Section—Jules Allard, Joseph Adam, C. H. Archer, L. P. Bernard, J. T. Cardinal, C. A. Chenevert, A. E. Delorimier, J. A. Descarries, G. L. Desaulniers, J. A. Drouin, C. A. Duclos, J. U. Emard, C. J. Flett, Ernest Fontaine, Victor Geoffrion, Aime Geoffrion, Alfred Girard, M. Goldstein, C. M. Holt, Ed. Holton, H. A. Hutchins, G. Gerin Lajoie, M. G. Larochelle, J. C. Laurendon, L. A. Lavalle, J. D. Leduc, D. McAvoy, Francis McLennan, A. E. Mitchell, J. E. Martin, B. R. Murphy, L. T. Marechal, A. R. Ougtred, L. J. Papineau, Ernest Pelissier, L. J. Perron, Camille Piche, J. B. B. Prevost, Horace St. Louis, L. J. Gauthier.

Quebec Section—Eusibe Belleau, Alphonse Bernier, Robert Campbell, C. E. Dorion, Charles DeGuise, Phileas Corriveau, A. S. Garneau, D. N. Labrie, Arthur Lachance, B. F. Letellier, P. R. Martineau, J. Camille Pouliot, Rodolphe Roy, Alex. Taschereau, Hon. A. Turgeon.

Other Sections—John Leonard, P. S. G. MacKenzie, W. Morris, G. H. St. Pierre, M. L. Shertleff, Jacques Bureau, J. A. Tessier, A. T. Pare, S. Constantineau, Z. E. Cornell, D. R. Barry, C. J. Brooke, L. M. Coutlee, H. A. Goyette.

Aug. 9.—The appointment is announced of the Hon. Albert Clements Killam, Chief Justice of the Court of King's Bench of Manitoba, as a Justice of the Supreme Court of Canada. The position had been declined by Chief Justice Moss of Ontario and Mr. A. B. Aylesworth, K.C. Mr. Justice Joseph Dubuc becomes Chief Justice in Manitoba and Mr. William Egerton Perdue succeeds him on the Court of King's Bench.

Sept. 8.—Resolutions presented to Parliament by the Minister of Justice provide for the appointment of three new High Court Judges in an Exchequer Division with a salary of $6,000 for the Chief Justice and $5.000 for the others; and increasing the salaries of the Chief Justice of the Territories and his colleagues. The subject is debated at some length and many expressions in favour of higher judicial salaries are heard.

Oct. 2.—Mr. Justice Killam of the Supreme Court of Canada is banqueted at Winnipeg and on Oct. 5th Mr. Justice Henri T. Taschereau of the Superior Court of Quebec is similarly honoured at Montreal.

Oct. 15.—It is announced that Mr. L. P. Duff, K.C., of Victoria has been appointed to a seat on the Supreme Court of British Columbia.

Nov. 3.—Chief Justice W. H. Tuck of New Brunswick is banqueted by the local Bar in honour of his 50th anniversary as a barrister of that Province.

Dec. 1.—The *Canadian Law Times* of Toronto contains an elaborate article by Mr. Justice Archer Martin of Vancouver, B.C., criticizing the appointment of Judges as Commissioners in connection with public or semi-political matters. He repeats and endorses the views first presented by Mr. John S. Ewart, K.C., of Winnipeg in the *Canadian Law Review* for October.

Dec. 31.—The County Court Judges appointed in Ontario during 1903 include Mr. James Henry Madden in Lennox and Addington; Mr. H. D. Leask in Nipissing District; Mr. C. W. Colter, K.C., in Haldimand, and Mr. John Winchester, K.C., in York.

Dec. 31.—During the year Mr. Justice George Anthony Walkem resigns from the Supreme Court of British Columbia; Mr. Justice Thomas Robertson from the High Court of Ontario; Chief Justice Thomas Henry McGuire from the Territorial Supreme Court; and Mr. Justice H. Richardson also from the latter Court.

XXII.—CANADIAN OBITUARY, 1903

Abell, John—Prominent Manufacturer of Toronto. Apl. 7th.

Alexander, Hon. George—Senator of Canada. Oct. 12th.

Allison, K.C., of Sussex, N.B., Leonard A. Jan. 8th.

Anderson, M.A., F.R.S.C., Rev. Duncan. Apl. 3rd.

Appleby, K.C., ex-M.P., ex-M.P.P., Stephen Burpee. Dec. 10th.

Armour, B.A., LL.D., Hon. John Douglas—Justice of the Supreme Court of Canada and Canadian Commissioner on Alaskan Boundary Tribunal. July 11th.

Bailey, C.E., J. C., July 27th.

Blatchley, O.S.A., W. D. Dec. 31st.

Bowlby, of Berlin, Dr. D. S. Dec. 26th.

Bridgland, M.D., M.P.P., Ontario, Samuel. May 6th.

Brown, D.L.S., C.E., William—Professor of Agriculture at Ontario Agricultural College, 1875-86, and latterly Professor of Agriculture at the Agricultural College of Longerenony, Australia. May 12th.

Bremner, Ernest A. June 22nd.

Call, Lieut.-Col. Robert Randolph—Sheriff of Northumberland County, N.B. Dec. 23rd.

Cameron, Æneas—20 years Principal of Yarmouth Academy, Yarmouth, N.S. Feb. 21st.

Campion, K.C., of Goderich, Edmund. Aug. 26th.

Cargill, M.P., Henry. Oct. 1st.

Carmichael, ex-M.P., Hon. James William—Lately resigned Senatorship of Canada. May 1st.

Casey, B.A., ex-M.P., George Elliott. Nov. 30th.

Coatsworth, Emerson—City Commissioner of Toronto. May 8th.

Cochrane, Hon. Matthew Henry—Senator of Canada. Aug. 13th.

Costigan, K.C., of Calgary, John Ryan. Jan. 5th.
Crawford, of Montreal, Lieut.-Col. John. Apl. 5th.
Creasor, John—County Judge of Grey. Mch. 10th.
Davidson, M.P.P., Hon. John Andrew—Provincial Treasurer of Manitoba. Nov. 14th.
Day, R.C.A., Foreshaw. July 22nd.
Dewart, D.D., Rev. Edward Hartley—Editor of the *Christian Guardian*, Toronto, 1869-95. June 17th.
Dickey, K.C., ex-M.L.C., Hon. Robert Barry—Senator of Canada and a Father of Confederation. July 14th.
Doherty, Hon. Marcus—Judge of the Quebec Superior Court, 1873-91. July 5th.
Doran, William—ex-Mayor of Hamilton. Nov. 10th.
Doyle, of Owen Sound, Richard Judson. Oct. 26th.
Dumble, John Henry—Police Magistrate of Cobourg. Nov. 24th.
Duncan, David Hunter—Lately General-Manager Merchants Bank of Halifax. Apl. 1st.
Duffy, M.P.P., Hon. Henry Thomas—Provincial Treasurer of Quebec. July 3rd.
Dymond, ex-M.P., Alfred Hutchinson—Principal since 1880 of the Ontario Institution for the Blind. May 11th.
Evans, M.A., Rev. Henry James—Canon of Christ Church, Cathedral, Montreal. May 22nd.
Fallis, ex-M.P.P., Ontario, William A. Mch. 1st.
Fenwick, Rev. Kenneth M.—One-time Professor of Apologetics in Montreal Congregational College. June 14th.
Field, ex-M.P.P., Ontario, John C. Feb. 19th.
Field, M.D., Gilbert C.—Police Magistrate of Woodstock, Ont. Oct. 14th.
Fraser, Alexander—Lumberman and capitalist of Ottawa. June 1st.
Fraser, D.D., of Hamilton, Rev. Mungo. May 12th.
Gagnon, M.P.P., New Brunswick, Narcisse A. Nov. 20th.
Gault, Andrew Frederick—Montreal Merchant, Manufacturer and Philanthropist. July 7th.
Gilmor, ex-M.P.P., ex-M.P., Hon. Arthur Hill—Senator of Canada. Apl. 13th.
Gove, Charles Morrell—Collector of Customs at St. Andrews, 1870-97. May 15th.
Graham, of Ottawa, Lieut. J. Douglas—of the 2nd Canadian Mounted Rifles in South Africa. Apl. 8th.
Gregory, C.E., Charles Currie. May 30th.
Harrington, K.C., of Halifax, C. Sydney. Sept. 5th.
Hartley, D.D., Rev. George A.—Pastor of Carleton Free Baptist Church, St. John, 1858-98. Feb. 15th.
Howard, ex-M.P.P., Hon. Thomas—Provincial Treasurer of Manitoba, 1871-2. July 18th.
Innes, D.D., Very Rev. George Mignon. July 29th.
Innes, ex-M.P., of Guelph, James. July 16th.
Jack, K.C., D.C.L., Isaac Allen—Recorder of St. John. Apl. 5th.
Jarvis, Lieut.-Col. Robert Edward Colborne—Late of H. M. 69th Hampshire Regiment. Mch. 4th.
Johnson, M.P.P., M.E.C., of Nova Scotia, Hon. Thomas. July 30th.
Joncas, ex-M.P., Louis Zepherin. Mch. 28th.
Laurie, Patrick Gammie—Editor and Proprietor since 1869 of the Saskatchewan *Herald*, the first paper published in the Territories. May 11th.
Landerkin, M.D., ex-M.P., Hon. George—Senator of Canada. Oct. 4th.
Lewis, Ira—Crown Attorney of Huron County since 1857 and one-time Mayor of Goderich. Jan. 15th.
Lockhart, William Albert—Twice Mayor of St. John, N.B. Nov. 9th.
Lount, K.C., ex-M.P., Hon. William—Judge of the Ontario High Court of Judicature. Apl. 24th.
Lumsden, George Edward—Assistant Provincial Secretary, Toronto. Sept. 27th.
Mackinnon, Tristram Allan—Vice-President and General-Manager, Boston and Maine Railway. July 12th.

MacLean, M.D., Donald—Professor of Surgery in University of Michigan and President of the American Medical Association in 1894. July 24th.
MacMillan, ex-M.P., Duncan—County Judge of Haldimand. Apl. 21st.
Macpherson, ex-M.P., of Hamilton, Thomas Henry. June 17th.
McCabe, LL.B., F.S.S., William—General Manager, North American Life Insurance Company. Apl. 23rd.
McCallum, Hon. Lachlan—Senator of Canada. Jan. 13th.
McCormick, Andrew—Mayor of London in 1873. Sept. 27th.
McDougall, K.C., Hon. Joseph Easton—County Court Judge of York and local Judge in Admiralty of the Exchequer Court of Canada. Jan. 29th.
McGregor, ex-M.P., William—Collector of Customs, Windsor, Ont. May 14th.
McGuckin, O.M.I., D.D., Rev. James M.—Superior of the Oblates in Vancouver and one-time Rector of the University of Ottawa. Apl. 7th.
McIlwraith, Thomas—Canadian Ornithologist. Jan. 31st.
McLaughlin, M.D., ex-M.P.P., Ontario, James Wellington. Aug. 9th.
McLean, ex-M.P.P., Lieut.-Col. Hon. James Roderick—Formely Commissioner of Public Works in Prince Edward Island. Mch. 18th.
Manning, Alexander—Twice Mayor of Toronto. Oct. 20th.
Mann, Hugh—Railway contractor. Sept. 11th.
Martin, Pierre Paul—Montreal Merchant and Philanthropist. Apl. 14th.
Martineau, LL.B., M.P., Pierre Raymond Leonard. Aug. 31st.
Mason, Major John James—Twice Mayor of Hamilton. June 15th.
Masson, ex-M.P., James—ex-County Court Judge of Huron. Dec. 24th.
Mattice, Gordon J.—ex-Mayor of Cornwall. Jan. 28th.
Maynard, D.D., of Windsor, N.S., Rev. Canon Thomas. Feb. 7th.
Masson, P.C., ex-M.P., Lieut.-Col. the Hon. Louis Francois Rodrique—One-time Minister of Militia, Lieut.-Governor of Quebec and Senator of Canada. Nov. 8th.
Mills, K.C., LL.D., ex-M.P., Hon. David—Justice of the Supreme Court of Canada. May 8th.
Morgan, ex-M.P.P., Ontario, William. Jan. 19th.
Mosgrove, William—Junior Judge of the County of Carleton. Aug. 31st.
Mowat, G.C.M.G., K.C., LL.D., Hon. Sir Oliver—Lieutenant-Governor of Ontario. Apl. 19th.
Muirhead, ex-M.L.C., and M.E.C., of Prince Edward Island, Hon. James. Nov. 14th.
Murray, of Toronto, William Thomas. Mch. 20th.
Mullin, M.A., LL.D., Eldon—Deputy Director of Education for the Transvaal and Orange River Colonies. Feb. 12th.
Myers, K.C., of Sault Ste. Marie, Elgin. Oct. 17th.
Neilson, M.D., ex-M.P.P., Manitoba, W. J. July 17th.
Nicholson, Rev. A. W.—President in 1875 of the Nova Scotia Methodist Conference. June 28th.
O'Brien, Hon. James—Senator of Canada. May 28th.
Oille, M.A., M.D. of St. Catharines, Lucius Sterne. Aug. 15th.
Ouseley, K.C., John W.—Clerk of the Nova Scotia House of Assembly. Sept. 5th.
Papineau, Louis Joseph Amedee—Formerly Prothonotary of the Court of Queen's Bench, Montreal. Nov. 23rd.
Parker, Bart., J.P., Sir Melville—Formerly Warden of Peel County. Nov. 17th.
Parks, of St. John, John Hegan. Sept. 7th.
Pirie, Alexander Fraser—Editor and Proprietor of the Dundas *True-Banner*. Aug. 8th.
Pritchard, Robert—ex-Mayor of London. Feb. 4th.
Proudfoot, D.D., Rev. John J. A.—Lecturer in Homiletics, Knox College, Toronto. Jan. 14th.
Proudfoot, Hon. William—Vice-Chancellor of the Ontario Court of Chancery, 1874-90. Aug. 4th.
Quinn, K.C., ex-M.P., Michael Joseph Francis. Dec. 6th.
Rankin, George—Author and Playwright. Jan. 6th.

Rathbun, Edward Wilkes. Nov. 11th.
Redgrave, Stephen—Sheriff of the Kootenay District, B.C. Mch. 25th.
Richardson, M.D., of Toronto, Samuel. Sept. 3rd.
Roblin, Owen—Postmaster of Ameliasburg, Ont., since 1845. Aug. 8th.
Rogers, D.D., Rt. Rev. James—Roman Catholic Bishop of Chatham, N.B. Mch. 22nd.
Sadleir, Mrs. Mary Ann. Apl. 5th.
Shaw-Wood, Robert—1st President of the Ontario Conservative Association. Apl. 10th.
Silver, William Chamberlain—ex-President of the Halifax Chamber of Commerce and many other local institutions. Feb. 23rd.
Smythe, K.C., M.A., LL.D., Edward Handley—ex-Mayor of Kingston. Feb. 14th.
Snowden, K.C., of Montreal, H. L. Feb. 11th.
Steen, M.A., Rev. Frederick Julian—Vicar of Christ Church Cathedral and Professor of Apologetics in Diocesan Theological College, Montreal. Feb. 24th.
Stewart, J. K.—Lately Provincial License Inspector, Toronto. Oct. 29th.
Stollery, Lieut.-Col. William—One-time Commander of the Royal Grenadiers, Toronto. Mch. 13th.
Stowe, M.D., Emily Howard Jennings. Apl. 30th.
Tattersall, Albert—Supreme Vice-President Sons of England Benevolent Society. Feb. 26th.
Taylor, Rev. James—President of Nova Scotia Methodist Conference in 1878. Jan. 21st.
Thompson, D.D., of Sarnia, Rev. John. May 12th.
Tucker, James A.—Toronto journalist. Dec. 19th.
Tweedie, of Hampton, N.B., Rev. William Morley. Apl. 3rd.
Watson, M.A., D.D., Rev. David. Dec. 30th.
Watts, James—Editor and Proprietor of the Carleton *Sentinel*. June 9th.
Wilkinson, W. H.—County Judge of Lennox and Addington. Apl. 15th.
Wood, ex-M.P., Hon. Andrew Trew—Senator of Canada. Jan. 21st.

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SUPPLEMENT

NEW ONTARIO

There are few countries or provinces in the world which can fairly boast such resources in farm lands, forests, mines, and fisheries as the Province of Ontario, and still fewer which possess such undeveloped riches and valuable unsettled soil, covering many thousands of square miles, as those which are to be found in that portion known as "New Ontario." The Province, as a whole, has a population of 2,500,000, an agricultural industry representing $1,000,000,000 of invested capital; an agricultural production of $200,000,000; bank clearings of over $800,000,000 in amount; varied manufacturing industries such as iron foundries, railway shops, pork-packing houses, ship-yards, distilleries, carriage, piano, and agricultural implement factories; cities such as Ottawa—the beautiful capital of Canada—Toronto, Hamilton, London, Brantford, Kingston, and many others.

Ontario has an estimated area of 200,000 square miles—not including that portion of the Great Lakes that lies within the international boundary—with an extreme length from north to south of 750 miles, and a breadth of 1,000 miles. It is larger than the nine North Atlantic States of the American Republic by one-third; larger than Maine, New Hampshire, Vermont, New York, Pennsylvania, and Ohio combined; larger than Great Britain and Ireland by 78,000 square miles. It is only 4,000 square miles less than the French Republic, and only 8,000 less than the German Empire. Its extent cannot be fully realized until one has travelled from end to end over its territory. Less than twenty per cent. of the Province has yet been settled, over eighty per cent. still being in the hands of the Crown. In round figures there is an area of 100,000 square miles unsurveyed, a considerable portion of which is almost unexplored. In area Ontario alone is vast enough to become the seat of a mighty empire, and its great resources warrant it in aspiring to a position of great commercial importance.

As the pioneers in the early days in Ontario proceeded northward, hewing down the forest before them in their path and preparing the land for the plow, they soon found that the country underwent a complete change in its character. Instead of the continuous stretch of arable land they were accustomed to in the south, they found rock and river, hill and lake on every hand, and almost impenetrable forest; and so unsuited did it seem to farming purposes that they soon desisted from their efforts to settle it. Later on, the lumbermen penetrated its more accessible regions, and as that industry grew and thrived, towns and villages sprang up here and there, devoted largely to lumbering, saw-milling and kindred businesses. As time progressed, it has gradually demonstrated the possession of not only great forest wealth, but great mineral wealth; and not only so, but that immense sections are quite as well suited for agriculture as the land in the southern part of the Province.

New Ontario

Northern or "New" Ontario is estimated to contain 141,000 square miles, and has an area almost three times as great as Southern Ontario. It is divided into four Districts, Nipissing, Algoma, Thunder Bay, and Rainy River. Until very recently little was known of the capabilities of the major portion of this territory. A very limited amount of systematic exploration had been undertaken, and the country remained in a great measure an asset of unknown value to the Province. In order to learn more definitely the nature of its resources, the Provincial Government in 1900 organized a number of exploration parties, who traversed the country from the Quebec boundary in the East to the Manitoba boundary in the West, and northward from the better known districts to the Hudson's Bay slope. The result has been to demonstrate the fact that the value of the country, espeeially as regards its agricultural resources, is far greater than had been supposed. That the northern country contained great foreet wealth and probably great mineral wealth, had previously been admitted, but the astounding fact was not looked for by many that an agricultural region of undoubted fertility, with an acreage greater than the whole of Ontario at present under crop, extended from Lake Temiskaming in the East almost entirely across the Province. To this section, which lies between the 49th and 50th parallels of latitude, has been given the name of the "Great Clay Belt," and it is estimated to contain 24,000 square miles, or 15,680,000 acres. To say that this territory could be made to support a population of a million souls is surely not an over-estimate. Almost the whole of this region is well adapted to agriculture. It is well wooded, and is watered by no less than seven large rivers of over 300 miles in length, whieh flow northward to Hudson's Bay, while, in addition, there are numberless smaller streams and lakes. Nor is the climate by any means an obstacle to the settlement of the country, as many have supposed. Although it lies in the North from the point of view of the people of Old Ontario, it should be borne in mind, as a matter of fact, that it is in the same latitude as Southern Manitoba and the northern portion of the States of Minnesota and Dakota.

There are many other fine agrieultural tracts in New Ontario to which the objection of inaecessibility cannot be said to apply. To these the attention of the home-seeker may be directed. Among them may be mentioned the Rainy River Valley, on the Minnesota boundary, containing from 750,000 to 1,000,000 acres of land of literally unsurpassed fertility; a very important area at the head of Lake Temiskaming, containing fully 1,000,000 acres of rich soil; the valley of the Wabigoon River, with an area of 384,000 acres; besides other sections of lesser extent or continuity.

Note.—For further information regarding the resources, climate, wealth, industries and development of the Province of Ontario, apply to Hon. E. J. Davis, Commissioner of Crown Lands, Toronto, or to Mr. Thomas Southworth, Director of the Colonization and Forestry Branch of the Department.

THE POSITION AND PROGRESS OF THE CANADIAN NORTHERN RAILWAY

The map we reproduce of the Canadian Northern Railway and connections shows at once its commanding position in the great West. Indeed, a map of the whole Dominion shows even to better advantage this system, with its 1,400 miles of road located in the heart of the country.

With its Eastern terminus, for the present at Port Arthur, this line is in a position to transport grain with the same advantages that are enjoyed by the Canadian Pacific at Fort William, and to compete successfully with the great American concerns shipping from Duluth. Only in Canada is such a phenomenon possible—an inland terminus over a thousand miles from a sea-port (Montreal)! But the projectors of this road have taken advantage of this unique geographical feature, and, relying chiefly, for a while, on the navigation period for the shipment of traffic, have built up their system from the head of the Great Lakes, reaching out eagerly towards the vast golden West. But to provide for the great wheat traffic which is already controlled by this line, the most complete and up-to-date Elevator system in operation to-day has been established at Port Arthur. Two working houses (with a combined capacity of two million bushels) of the latest type are supplemented by two fire-proof storage annexes of tile construction, having a capacity of five million bushels, and these are so arranged that additional annexes may be added when further capacity is required.

It is now becoming generally known that the country served by the Canadian Northern, lying immediately west of Port Arthur, is rich in mineral resources. Silver ore is found most plentifully some forty miles west of Port Arthur, but chiefly in the form of a sulphite in combination with lead and zinc. Further West the line strikes the Atikokan Iron Range, where mining operations are now being carried on, and where preparations for greater development are under way. Other ranges in the vicinity also show rich veins. In fact, iron mining is an industry which will doubtless be a large factor in the advancement of this District.

Gold ore is also found, and a recent discovery in this District of the presence of this most valuable mineral has excited much interest, and it is firmly believed by some that gold mining will be added to the list of industrial activities of the section.

Further West the rich valley of the Rainy River is reached, where a variety of fruitful soils and an excellent climate combine to make the District the best for mixed farming in the Dominion; while the forests of Poplar, Spruce, Tamarac, White Pine, Cedar, and Birch support a large lumbering industry.

The location of a magnificent water-power at Fort Frances gives the region an advantage which is shortly to be used, and

MAP OF THE ·CANADIAN·NORTHERN·RAILWAY·

AND CONNECTONS

one which will without doubt be a strong factor in the progress of the Rainy River District. The opportunity to locate manufacturers at this point is being taken by several organizations, and most favourable results are anticipated.

The never-ending wheat fields of Manitoba soon meet the tourist's gaze, and from a point some fifty miles east of Winnipeg to Edmonton but once only will they be out of sight. Radiating from Winnipeg the Company has branches which tap all the rich districts of Manitoba and which, therefore, touch all the principal points in the Province, and several important feeding links are under construction with as many more projected.

At Winnipeg, the metropolis of Manitoba and the Western Territories, a most complete terminal has been provided for, and the location selected is a proof of the astuteness of the principals of this enterprising organization. The convenient situation of the Company's Passenger Depot is appreciated by the travelling public.

Westward from Winnipeg the main line passes on through the valley of the Assiniboine and on to the far-famed Portage Plains, then on to Portage la Prairie, Gladstone and Neepawa, each wheat centres, and the market town of a flourishing district. Dauphin, further north, is younger than these, but the richness of the soil surrounding this point has built up a town very little behind those just named. The Gilbert Plains, just west of Dauphin, are then before us and, after forty miles of very rich territory, we reach the gateway to the greater West—the pass between the Duck and Riding mountains. Here, only in a stretch of nine hundred miles is the wheat field broken, but the surrounding country at this point is an excellent one for grazing purposes, and the cattle-raiser is already located there. In fact, one of the largest shipments of cattle ever made from the West was loaded at Grand View—then the shipping point of the district. But the break is not a long one, and soon the yellow grain again surrounds us. We have re-entered the valley of the Assiniboine River, and the same productive soil which has raised such famous crops on the Portage Plains is here ready for the tiller's hand.

We then come to the Kamsack country where the early settler has waited long for railway facilities. But he shipped his wheat by rail last autumn, and this fact has put new energy into the settlement.

Further on the line strikes the Saskatoon District. A little west a crossing of the Saskatchewan is made and, though the completed railway is no longer with us, we may trek up this great valley like a Barr colonist and see the riches it holds out to the homesteader. This country is not the prairie, but undulating land possessing the black loam which yields so richly.

If one looks up the maps which were prepared at the time the Canadian Pacific Railway was being projected, it will be found that the line we are following passes through the most fertile belt

in the North-West. This is the land to which the promoters of this road have been looking since the first mile of grading was done. It is by this route that a wheat area larger than all Manitoba is tapped.

Crossing the Saskatchewan again, we pass into the country lying between the two forks of this great river. It is into this section of land more than any other that settlers from all parts are flocking. Further up the river the Barr Colony is located and many hundred farms are already under partial cultivation.

The land between this and Edmonton is most fertile, and is being rapidly taken up by a class of settlers who appreciate the advantages of the location, soil and climate. Some of the farmers here are those who have migrated from the Northern States of the Republic to the south of us. Successful there, they have sold out their farms at a profitable figure, and moved northwards to a country where twenty-five and thirty bushels of wheat can be raised instead of ten or fifteen.

It is not to be wondered at, then, that the community looks forward very anxiously to the time when a daily express and a good freight service will bring Edmonton in close touch with the older portions of the Dominion lying to the east.

Edmonton is the centre of an agricultural area which is capable of a production equal to or greater than that of Manitoba, and to serve this district it will be necessary to construct feeding lines or branches radiating from this established centre and, therefore, the main line of this system having reached Edmonton, for traffic purposes, there will be no immediate necessity to push it further, and a few years may be spent in putting in the spokes of the wheel of which Edmonton is the hub. Yet it is hardly likely that the ambitious promoters of this system will rest until the Western terminus of the road is located on the Pacific coast. True, further developments in British Columbia may be awaited, and one cannot tell what the Grand Trunk Pacific may bring forth, yet those who have watched the rapidity with which the Canadian Northern system has evolved, expect firmly to see, and at no distant date, a trans-continental line as the final result of such grand financing as has marked the progress of the Mackenzie-Mann line.

The construction of a line across this great continent was considered a large undertaking for a Government—by some, too great a task. A Government and a powerful railway organization have now combined to repeat the feat, but what have we in the case of the Canadian Northern? Two men building the road and financing it and managing it! By their enterprise they are opening up thousands of miles of this country which for years has been without railway facilities, and are adding to the record book of the development of the Dominion a very considerable chapter.

A NEW CANADIAN INSTITUTION

The Sovereign Bank of Canada, which opened its doors for business on the 1st of May, 1902, enjoys a unique position in the Canadian banking world. It was the first bank to be established under the Bank Act of 1890, and was the first Canadian bank to commence business with a reserve fund; it was also the first bank in Canada to have an appreciable amount of stock held in the United States. Another feature which distinguishes the Sovereign Bank from other institutions, and which appeals to the Canadian borrowing public, is the fact that it is the only bank with executive officers in both Montreal and Toronto, thus insuring prompt attention to credits and to other business calling for immediate action by the Bank.

The name, "The Sovereign Bank of Canada," was appropriately chosen in honor of King Edward VII., inasmuch as the Bank was incorporated by Act of the Parliament of Canada on May 23rd, 1901, the year of His Majesty's accession, and commenced business in May, 1902, the year of His coronation.

After securing a charter for the new institution, the incorporators made a very happy selection for the important position of General Manager in the person of Mr. D. M. Stewart, who was at that time Chief Inspector of the Royal Bank of Canada, Montreal. Mr. Stewart had had several years' training in the New York office of the Canadian Bank of Commerce before moving to Montreal, so that his broad experience and excellent schooling in the several important positions previously held eminently qualified him to assume the responsible duties of chief executive officer of the new Bank.

There is no better evidence of the growth and stability of a bank than the increasing conde nce of the depositing public in placing their money in its hands. In this respect "The Sovereign" has established a record never before equalled by any bank in Canada. At the end of the first six months, on 31st October, 1902, its total deposits were a little over $1,600,000. On the 30th April, 1903, they had more than doubled. During the next six months, the increase was $1,100,000, while at the end of the second year, 30th April, 1904, the Bank's total deposits reached the handsome sum of $5,500,000.

When comparing this with the growth of other banks, one is almost forced to ask the reason for such progress. It is undoubtedly due to the untiring zeal and devotion to their Bank of the General Manager and his efficient staff. In almost every instance the managers of the Bank's various branches were selected on account of their knowledge of the localities in which they were stationed. Mr. Lancelot Bolster, the Manager of the Toronto office, was a well-known and highly respected banker whose connection with

the Bank from its very inception did much towards securing for it desirable business.

Under the supervision of Mr. W. Graham Browne, the Manager of the chief office in Montreal, the foreign business has grown to such an extent that the Bank is now represented by correspondents in all the principal cities of Europe and of the United States. Drafts and telegraphic transfers can be purchased on all the leading centres of trade and commerce, while drafts drawn against all kinds of goods and merchandise are negotiated on the best possible terms. Mr. Browne, like his General Manager, of whom he has been a life-long friend, was for many years in New York, where he gained valuable experience, and on assuming charge of the Montreal branch, brought with him influential American and foreign connections.

A feature to which the Bank pays particular attention is the collection of cheques, notes, drafts, etc., and the remittance of the proceeds to New York, to London, to Paris, to Berlin, or, in fact, to any part of the world. The Bank is also willing to make investments and look after the collection of coupons, interest and dividends, and will gladly furnish information free of charge, to its clients concerning commercial matters in Canada. All such inquiries addressed to the Manager of the Montreal branch will receive prompt and careful attention.

The Bank has now thirty three branches in the Provinces of Ontario and Quebec, all of which are located either in good farming districts or in the larger cities. Among the principal correspondents of the Bank may be mentioned such reputable and well-established institutions as the London Joint Stock Bank Limited, of London; the North and South Wales Bank Limited, Liverpool; Societe Generale, and Comptoir National d'Escompte de Paris; the Dresdner Bank in Berlin, Hamburg and London; the Yokohama Specie Bank, Limited; the National Bank of Commerce in New York; the Standard Trust Company of New York; J. P. Morgan, of New York; the Atlantic National Bank, Boston; the First National Bank of Boston; the Farmers' and Mechanics' National Bank, Philadelphia; the Mellon National Bank of Pittsburg; the Commercial National Bank of Chicago; and the Columbia National Bank, Buffalo.

THE HOME SAVINGS & LOAN CO., LIMITED

The history of financial institutions, marking as it does the commercial development of a country, becomes increasingly interesting with close study. The prosperity of any land and the thrift of her working classes are ever inseparable. But sixty years ago there were not the present facilities in Canada, nor the willingness on the part of the few chartered banks then existing to receive the modest deposits saved by the industrious working man and woman. Recognizing this, the Government authorized by Act IV. and V. Victoria, the establishment of savings banks, managed gratuitously by trustees, the profits going to depositors as increased interest, or to local charities. Thus, among others, the Toronto Savings Bank (which later grew into the above Company) began its useful work in 1854 in Toronto.

In 1870 the Dominion Government, wishing to establish Government and Post Office Savings Banks, repealed the above Act, and the banks formed under it had one of three courses open to them, viz., become Government Savings Bank, Joint Stock Savings Bank, or to wind up. Two adopted the Joint Stock plan, viz., Montreal City and District Savings Bank, and La Caisse d'Economie, Quebec. The Toronto Savings Bank, however, on application, received an extension of ten years. Before that time elapsed there was chartered the Home Savings & Loan Company, Limited, and authorized by a Dominion Act to take over the business of the Toronto Savings Bank, the Trustees of which were to place accumulated profits, amounting to $20,000, with the Toronto Savings Bank Charitable Trust, instituted by the same Act. Established since 1878, the business of the Home Savings & Loan Company has steadily increased. It receives and pays out any sums from twenty cents upward, accommodating all classes and organizations, especially the working people. Having on deposit about three million dollars, from nearly eight thousand depositors, the Directors and Shareholders recently felt the business to be outgrowing the powers of the Company, and have applied for a bank charter, and the Company will soon become The Home Bank of Canada.

The present Directors are all prominent in the commercial world:—President, Eugene O'Keefe, President of the O'Keefe Brewery Company; John Foy, President of the Niagara Navigation Company; Edward Stock, J.P., of Mimico; Thomas Flynn, of L. Coffee & Co., Board of Trade Building; Managing Director, Lieut.-Col. J. Mason. These, with Thomas R. Wood, the well-known insurance man of Toronto, and E. G. Gooderham, Managing Director of the Toronto Silver Plate Co., will constitute the Provisional Board of the new Bank.

Relying on the long and reputable career of the present Company, its ever-growing list of depositors and its convenient business methods, the management is confident that the Home Bank of Canada will be as progressive and reliable as the two institutions which it directly succeeds, and whose honourable and successful combined career has covered a period of fifty years.

CANADIAN INSURANCE AND THE CANADA LIFE COMPANY

In this country our native life offices had a very successful year in 1903, and held their own in competition with British and American Companies, the ordinary policies issued in Canada by Canadian Companies being greater in amount than those of American Offices by nearly $30,000,000, and greater than those of British Companies by about $49,000,000. The figures as published in the Abstract of Statements, issued by the Superintendent of Insurance, for the year 1903, show the following results:

Ordinary Policies Issued in Canada in 1903.

By Canadian Offices	$52,157,276
By American Offices	22,707,443
By British Offices	3,441,524

Perhaps the most striking feature of Canadian life insurance in 1903 was the reception accorded, and the immediate standing granted, our oldest native Company on its entering Great Britain at the beginning of the year. The benefit of this will be felt by all our financial institutions transacting business with the Motherland. It is gratifying, too, that the Canada Life Assurance Company, the Office referred to, has found a continuous and growing support from the insuring public of Great Britain. The new business of the year from that Branch is announced to have been most encouraging both as to amount and character.

A number of the Canadian Companies are of recent origin and, of course, have not the facilities nor the organization to transact a large volume of business, which renders the foregoing statement of policies issued all the more creditable. The secret of it, probably, is in the careful, efficient management of Canadian Offices and the splendid showing several of them have been able to make in returns to policy-holders.

A striking example of this was the experience of the late Sir Oliver Mowat, Lieutenant-Governor of Ontario. In the year 1851 he became a policy-holder in the only Canadian Company existing at that time—the Canada Life. His policy was for $4,000 with an annual premium of $94.34, payable during life. Dividends, however, were applied to reduce this annual premium, and so rapidly did they increase that in 1885 the premium was entirely extinguished. From then, instead of being a burden, the policy became a source of revenue. From 1885 until the date of his death Sir Oliver received a cash income from this policy of upwards of $2,000, and on his death the principal sum of $4,000 was paid his estate.

It is examples like this which have given our native Life Companies their firm hold on our people.

FRATERNAL INSURANCE IN CANADA

During the past 30 years that branch of Life insurance known as Fraternal or Society insurance has made great headway in Canada. At the present time a very large proportion of the people in this country, as in the United States, are connected with one or more of the different Fraternal Societies and depend to a greater or lesser extent upon them for the protection of their families. These Societies distribute each year in this country among the beneficiaries of deceased members, or in sick benefits to afflicted members, enormous sums and some notice of their operations, therefore, for 1903 will not be out of place in this volume. Some years ago the plan adopted by such mutual societies was that of making "death calls," or in other words assessing their living members in order to provide for the payment of death claims. In most of the Societies this plan has been abandoned and fixed monthly premium rates are now charged. The following Societies are the main ones doing business in Canada:

Independent Order of Foresters.
Royal Arcanum.
Canadian Order of Foresters.
Royal Templars of Temperance.
Canadian Order of Chosen Friends.
Sons of England Benevolent Society.
Ancient Order of Foresters.
Ancient Order of United Workmen.
Canadian Order of Oddfellows.
Catholic Order of Foresters.
Catholic Mutual Benevolent Association.
Commercial Travellers' Mutual Benefit Society.
Canadian Order of Home Circles.
Knights of the Maccabees.
Knights of Pythias.
Oddfellows' Relief Association of Canada.
Orange Mutual Benefit Society.
Sons of Scotland.
Woodmen of the World.

Of these the Royal Arcanum, the Knights of the Maccabees, the Knights of Pythias and the Catholic Foresters have their head offices in the United States; all the others named having their head offices in Canada. As to these latter the following figures as to membership at the end of 1903 will be interesting:

Independent Order of Foresters	219,492	Woodmen of the World	8,507
Canadian Order of Foresters	52,160	Sons of Scotland	7,560
Ancient Order of United Workmen	46,125	Royal Templars of Temperance	6,399
Canadian Order of Chosen Friends	25,324	Orange Mutual	3,585
Catholic Mutual Benevolent Association	18,159	Sons of England	3,457
Canadian Order of Home Circles	16,394	Commercial Travellers' Mutual Benefit Society	1,463
Ancient Order of Foresters	15,935		
Oddfellows' Relief Association	15,814		

The total membership of these Societies alone therefore was, upon December 31st, 1903, 440,374. These Societies paid in death claims during the year a total of $3,648,526. This is outside of very large sums paid out in Sick and Funeral and Disability benefits. From these figures may be gathered an idea of the importance of these institutions as the life insurance companies of the masses. The total assets of the Societies named at the end of the year were $11,511,821 distributed amongst them as follows:

Independent Order of Foresters	$7,453,308	Royal Templars of Temperance	$117,154
Canadian Order of Foresters	1,558,347	Woodmen of the World	108,355
Canadian Order of Chosen Friends	457,429	Canadian Order of Oddfellows	64,585
Ancient Order of United Workmen	447,377	Commercial Travellers' Mutual Benefit Society	48,646
Oddfellows' Relief Association	329,949	Sons of England	46,809
Canadian Order of Home Circles	290,528	Orange Mutual	4,260
Ancient Order of Foresters	256,670		
Catholic Mutual Benefit Association	165,801		
Sons of Scotland	162,603		$11,511,821

As will be noticed the organization amongst these Societies having by far the greatest strength, both numerically and finan-

cially, is the Independent Order of Foresters, which may be taken as a type of its class. The work of this Society during 1903 is summarized as follows:

Paid to widows and orphans and disabled brethren	$1,658,108 92	Percentage increase in insurance at risk during the year	4·97
Paid in sick and funeral benefits	192,163 71	Percentage increase in assets during the year	19·75
Increase in membership during year	14,123	Death rate per 1,000, being ·14 less than in 1902	6·46
Increase of assets during year	$1,234,237 27		

The growth in the accumulated funds of the Order shows what can be done by the united efforts of large numbers each making some contribution. The Funds of this Order in 1884 were about $10,000. In 1894 they had increased to $858,857.89. In 1900 they got up to $3,778,503; in 1902 to $5,224,854, and in 1903, as indicated, they reached a grand total of $7,453,308. The Order has already paid about $17,000,000 in benefits, and is now paying at the rate of about $7,000 per day, while at the same time it is increasing its assets by about $4,000 per day. It is a member of the National Fraternal Congress, a society composed of 60 different Fraternal Societies on the Continent of America. These 60 Societies have assets of about $21,000,000, over one-third of which belongs to the Independent Order of Foresters, and two-thirds to the other 59 Societies. This is indeed a very creditable position for an institution whose age is now 30 years. The Independent Order of Foresters is incorporated by the Dominion Parliament by special Act, and is inspected regularly by the Insurance Department at Ottawa. During the year 1903 in purely death claims the Societies—whose date of organization is also given—paid the following amounts:

ORDER.	AMOUNT.	DATE OF ORGANIZATION.
The Independent Order of Foresters	$1,543,339	1874 re-organized 1881
Ancient Order of United Workmen	742,800	1879
Canadian Order of Foresters	268,607	1879
Catholic Mutual Benefit Association	237,700	1880
Canadian Order of Home Circles	207,213	1884
Canadian Order of Chosen Friends	172,006	1887
Oddfellows' Relief Association	143,750	1874
Royal Templars of Temperance	101,719	1884
Sons of Scotland	58,862	1876
Woodmen of the World	55,880	..
Orange Mutual	39,000	1830
Sons of England	24,900	1874
Canadian Order of Oddfellows	24,250	1852
Commercial Travellers' Mutual Benefit Association	22,000	1871
Ancient Order of Foresters	6,500	1871
	$3,648,526	

All of the Societies named above have what is called the lodge system and representative form of government. The subordinate courts or lodges send representatives to the Supreme bodies. The administration is in the hands of elected Executives and these are, in most cases, frequently changed with the exception of the Secretaries. The Independent Order of Foresters has had one head for the last 23 years, namely, the Supreme Chief Ranger, Dr. Oronhyatekha, who by his successful labours in connection with this great Society, which he himself re-organized in 1881 and which he has so successfully managed ever since, has won a well-deserved fame throughout the Fraternal and business world.

THE MANUFACTURERS LIFE INSURANCE COMPANY

On August 17th, in the year 1887, the Parliament of the Dominion of Canada incorporated the Manufacturers Life Insurance Company. This Company, after 17 years of most remarkable progress, stands, to-day, one of the foremost financial institutions in the country. From the beginning, the Company's connections were most influential. Its Board of Directors has always consisted of prominent business men who have been no mere figureheads, but active participants in the organization of the business.

The late Sir John A. Macdonald, former Premier of Canada, was the first President of the Company, and continued in that position until his death in 1891, when he was succeeded by Mr. Geo. Gooderham, President of the Bank of Toronto. Ten years later Mr. Gooderham was succeeded by the Hon. G. W. Ross, Premier of Ontario. The Company's operations have, from the outset, met with the most unqualified success. Some idea can be had of its rapid growth and its present strikingly strong financial position from the following table :

Year.	Total Premium and Interest Income.	Assets.	New Policies Issued.	Assurance in Force Dec. 31st.
1887	$ 27,963	$ 165,732	$2,564,500	$ 2,342,000
1891	197,342	431,610	2,111,100	7,413,761
1895	363,694	1,012,569	3,017,760	10,645,021
1899	582,578	1,809,505	3,579,109	14,368,236
1903	1,435,288	5,136,668	7,294,050	34,392,303

The year 1903 was a record one in the history of this Company. The following table will give some idea of the wonderful progress made during that year:

	1902.	1903.	Increase.
Net Premium Income	$ 1,054,815 72	$ 1,219,435 91	$ 164,620 19
Interest, Rents, etc	186,074 11	215,852 67	29,778 56
Total Cash Income	1,240,889 83	1,435,288 58	194,398 75
Payments to Policyholders	316,556 63	366,533 04	49,976 41
Policy Reserves	3,753,892 00	4,461,800 00	707,908 00
Total Assets	4,406,329 19	5,136,668 52	730,339 33
Applications for New Insurance	6,542,336 00	7,764,542 00	1,222,206 00
New Policies Issued	6,082,336 00	7,294,050 00	1,211,714 00
Insurance in Force	30,152,883 00	34,392,303 00	4,239,420 00

The Officers and other Directors of the Company at present are as follows:—President, Hon. G. W. Ross, Premier of Ontario; 1st Vice-President, Lieut.-Col. H. M. Pellatt, President Toronto Electric Light Co., Limited; 2nd Vice-President, Mr. Lloyd Harris, President Underfeed Stoker Co., Limited; Managing Director, Mr. J. F. Junkin; Assistant Manager, Mr. R. Junkin. Other Directors are: Mr. E. J. Lennox, Architect, Toronto; Mr. A. J. Wilkes, K.C., Brantford; Mr. James Mills, LL.D., Member of the Railway Commission, Ottawa; Mr. R. L. Patterson, Manager Millar & Richard, Toronto; Lieut.-Col. R. R. McLennan, Capitalist, Cornwall; Mr. Robert Archer, Director of Bell Telephone Co. and City and District Savings Bank, Montreal; Mr. D. D. Mann, Vice-President Mackenzie, Mann & Co., Vice-President Canadian Northern Railway, Toronto; Hon. J. Alderic Ouimet, Judge of Court of King's Bench, Director City and District Savings Bank, Montreal; Mr. William Strachan, President Midland Railway, President Wm. Strachan Co., etc., Montreal; Hon. J. D. Rolland (Member of the Legislative Council of Quebec), President Rolland Paper Co., Montreal; Hon. V. W. LaRue (Member of the Legislative Council), Quebec; Lieut.-Col. James Mason, Managing Director Home Savings & Loan Co., Toronto; Mr. S. G. Beatty, President The Canada Publishing Co., Limited, Toronto; Mr. A. P. Barnhill, Director Eastern Trust Co., St. John, N.B.; Mr. Wm. Mackenzie, President Toronto Street Railway, Toronto; Mr. C. C. Dalton, Spice Manufacturer, Toronto; Mr. D. B. Hanna, 3rd Vice-President Canadian Northern Railway, Toronto; Mr. R. J. McLaughlin, K.C., Toronto.

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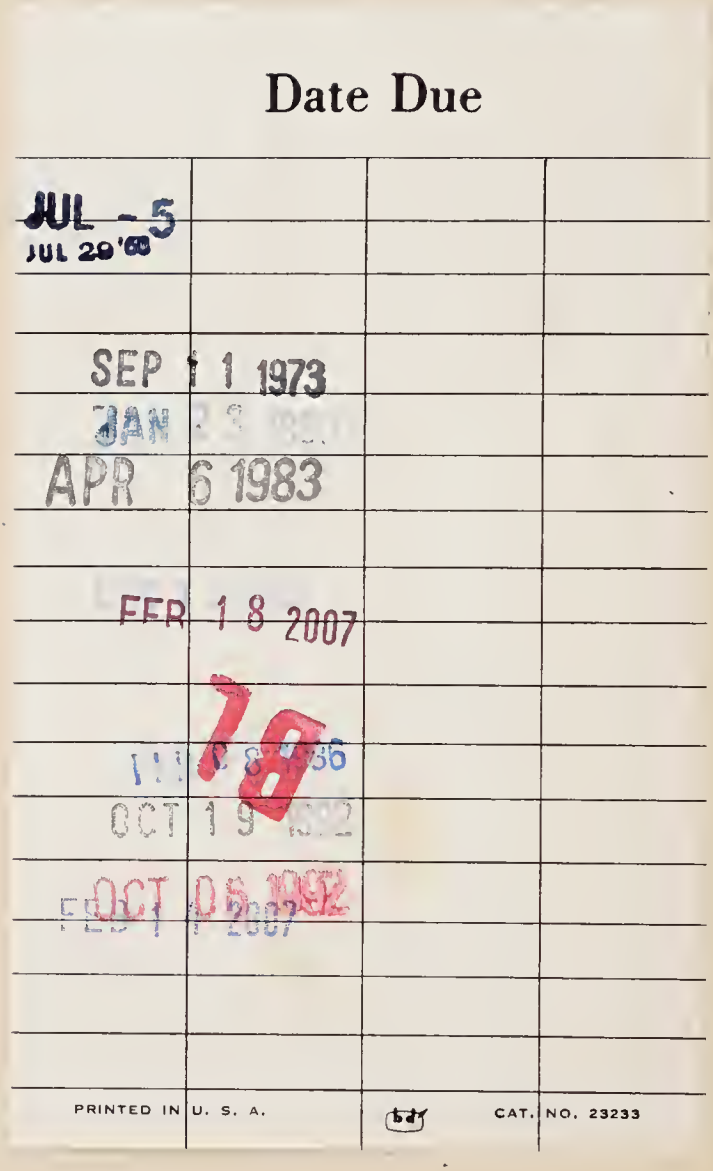
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